



2025

2025 Environmental, Social and Governance (ESG) Report
Hunan Valin Wire & Cable Co., Ltd



Stock Code: 001208

About This Report

This report constitutes the 2025 Environmental, Social, and Governance (ESG) Report (hereinafter referred to as the "ESG Report") of Hunan Valin Wire & Cable Co., Ltd. (hereinafter referred to as "Valin Cable" or "the Company"). This report provides a detailed account of Valin Cable's management approaches and performance in environmental, social, and governance aspects for the year 2025.

Reporting Period

This report covers the period from January 1, 2025 to December 31, 2025 (hereinafter referred to as the "Reporting Period"). It documents the environmental, social, and corporate governance performance for the year 2025. For continuity and comparability purposes, certain sections appropriately reference historical data from previous years. The report is published annually, aligning with the fiscal year.

Report Scope

Unless otherwise specified, the information and data in this report are consistent with the scope of the Company's annual report.

Basis of Preparation

This report is prepared in accordance with the Self-regulatory Guidelines for Listed Companies No. 17—Sustainability Report (Trial) issued by the Shenzhen Stock Exchange and the requirements of the GRI Standards (2021 Edition) issued by the Global Sustainability Standards Board (GSSB).

Data Sources and Reliability Assurance

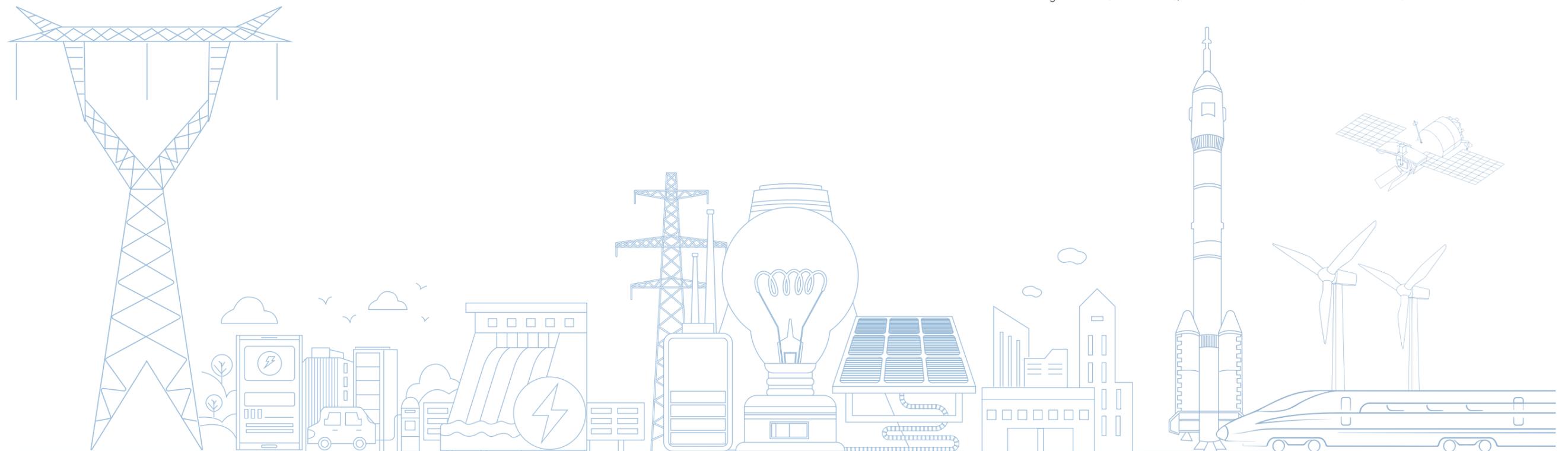
All information and data cited in this report are derived from Valin Cable's internal documents or relevant publicly available materials. Valin Cable guarantees that this report contains no false records, misleading statements, or material omissions. The report is available in both Chinese and English versions. In case of any minor discrepancies between the two, the Chinese version shall prevail.

Report Terms

Valin Cable, the Company, we | refers to | Hunan Valin Wire & Cable Co., Ltd.

Access to the Report

The electronic version of this report is available for viewing and downloading on the Company's official website (www.hxl.com), the Shenzhen Stock Exchange website (www.szse.cn), and the Cninfo website (www.cninfo.com.cn).



CONTENTS

About This Report	01	ESG Management	14
Contents	03	ESG Governance Framework	14
Message from the Chairman	05	ESG Risk and Opportunity Management	14
About Us	07	Dual Materiality Analysis	14
Corporate Profile	07	Stakeholder Communication	15
Corporate Culture	08		
Organizational Structure	09		
Industrial Layout	10		
“Golden Phoenix” in Numbers	11		
Honors of the “Golden Phoenix”	12		

Environmental Dimension:
Green Development, Writing a Chapter on Eco-Environmental Protection

System Building,
Laying the Ecological Foundation

Environmental Compliance Management	21
Promoting Green Transformation	23

Refined Operation:
Focusing on Energy Conservation and Consumption Reduction

Water Resource Management	25
Energy Management	26
Material Management	27

Pollution Control and Emission Reduction: Jointly Building Lucid Waters and Lush Mountains

Wastewater Management	28
Waste Gas Management	28
Noise Management	29
Waste Disposal	29

Low-Carbon Development:
Addressing Climate Change

Greenhouse Gas Management	31
Climate Change Response	31

Social Dimension: Advancing Together to Chart a Harmonious and Beautiful Vision

Talent Empowerment:
Strengthening Competitive Advantages

Employee Recruitment	35
Employee Development And Training	36
Compensation and Benefits	37
Occupational Health and Work Safety	39
Democratic Management	41

Quality First:
Empowering Quality Enhancement

R&D and Innovation Management	42
Product Quality and Services	46
Supply Chain Management	49
Digital Transformation	53

Fulfilling Missions:
Undertaking Social Responsibility

Engaging in Social Welfare Initiatives	56
Support for Rural Revitalization	59
Co-building the Belt and Road	60

Governance Dimension: Standardized Governance for Steady and High-Quality Development

Steady Progress:
Consolidating the Governance Foundation

Standardizing the Enterprise:
Deepening Compliance and Risk Control

Commitment to Business Ethics	65
Compliance System Building	69
Risk Management	70
Internal Control and Internal Audit	71

Building the Enterprise with Integrity:
Smoothing Communication Channels

Investor Relations Management	73
Information Disclosure and Supervision	74

Appendix I: Key Performance Indicators	75
---	----

Appendix II: Indicator Index	80
-------------------------------------	----

Appendix III: Feedback Form	83
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Disclaimer	84
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Message from the Chairman

In 2025, Valin Cable remained committed to its mission as a state-owned enterprise, upholding the core values of "Responsibility, Innovation, and Dedication", deeply integrating ESG principles into the whole process of corporate strategic layout, production and operation, as well as value creation. Embracing the vision of "Becoming a world-class leader in high-end cable integration and intelligent composite transmission", the Company is forging ahead steadily on the path of green transformation, industrial upgrading and responsibility fulfillment, vividly interpreting the profound significance of high-quality development of state-owned enterprises with solid and substantial ESG practices.

This year, we have stayed committed to innovation-driven development and consolidated our industrial foundation. The Company has deepened its presence in core sectors such as aerospace and integrated equipment. Throughout the year, R&D investment exceeded RMB 144 million, yielding numerous achievements in formulating national, industry, and aerospace technical standards. Its high-flexibility wear-resistant cables for mining were recognized as a National Manufacturing Single Champion Product, while flexible umbilical cables for offshore engineering and other "bottleneck" products achieved domestic substitution. The Company obtained control over Sunchu and established an

integrated product capability of "cable + connector", elevating its core competitiveness continuously.

This year, we have embraced green development to safeguard ecological harmony. We have integrated the "Dual Carbon (carbon peaking and carbon neutrality)" goals into our development strategy, established a full-process green production system, and achieved energy conservation and carbon reduction through green process upgrades including UV cross-linking and irradiation cross-linking. Remarkable progress was made in water reuse, energy management, pollution control, and emission reduction, with 100% compliant disposal of wastewater, waste gas, and solid waste. We successfully passed triple certifications for carbon neutrality, carbon footprint, and greenhouse gas inventory, painting a vivid picture of symbiosis between ecology and development through concrete actions.

This year, we remained true to our people-centric philosophy and fulfilled our social responsibilities. We prioritized talent cultivation, achieving a 100% employee training coverage rate, fortified workplace safety defenses, and safeguarded employees' lives and health. Collaborating with supply chain partners, we built a green and sustainable ecosystem, with 234 suppliers obtaining sustainability certifications. The aforementioned suppliers achieved a 100%

integrity agreement signing rate. We actively engaged in rural revitalization, philanthropy, flood relief, and other public welfare initiatives, proactively expanded overseas markets, and demonstrated the warmth and responsibility of a state-owned enterprise through value co-creation.

This year, we consolidated our governance foundation to ensure steady and long-term progress. We deepened the integration of Party building with corporate governance, refined the "Two Committees and One Tier" governance structure, enhanced the ESG governance system and compliance risk control mechanisms, conducted regular anti-commercial bribery training, and improved investor communication channels. Through standardized corporate governance and transparent information disclosure, we were honored with awards such as the "Top 300 Most Popular Listed Companies" in the annual selection by Hexin Flush Network Information Co., Ltd. and the 2025 Typical Cases of Corporate Social Responsibility in Hunan Enterprises, earning trust and recognition from all sectors.

Those hard-won achievements could not have been made without the careful guidance and strong support of governments and regulatory agencies at all levels, the trust and collaboration of clients, partners, and investors, and more importantly, without the dedication, concerted efforts

and relentless perseverance of all staff at Valin Cable. Here, on behalf of the Company's Board of Directors, I hereby extend my highest respect and sincerest gratitude to friends from all walks of life who care for and support the development of Valin Cable, as well as to every employee who fulfills their duties with diligence and strives for progress!

On the new journey ahead, Valin Cable will continue to be guided by ESG principles, further advance innovation-driven growth, accelerate green transition, and strengthen industrial synergy. We will steadily refine our corporate governance structure and boost governance efficiency, while rallying all stakeholders to forge ahead with unified strength and concerted action. Armed with more exceptional ESG performance and more tangible development outcomes, we will resolutely fulfill social responsibilities, fully support national strategies, live up to the mission of the era and the expectations of all sectors, and strive to write a new chapter of high-quality corporate development.

Hunan Valin Wire & Cable Co., Ltd.

Chairman Zhang Zhigang



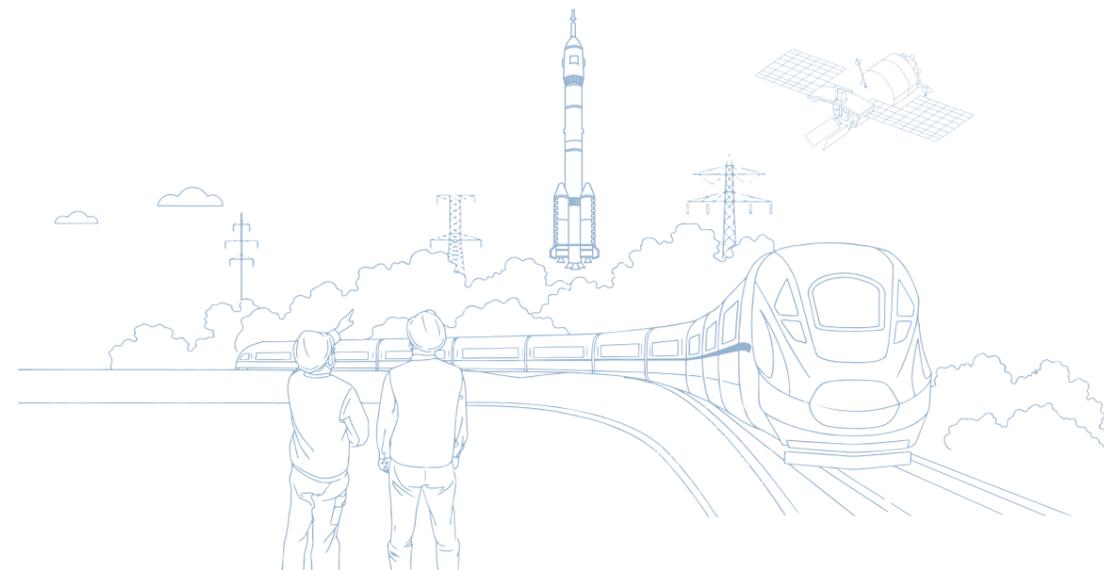
About Us

Corporate Profile

Valin Cable traces its predecessor to Xiangtan Cable Factory, founded in 1951. In July 2003, Valin Cable was established by five state-owned enterprises including Hunan Iron and Steel Group and Xiangtan Iron & Steel Group. Leveraging the core assets of Xiangtan Cable Factory, the Company has achieved a remarkable transformation and embarked on a new journey of development. Today, it is one of the leading manufacturers of special-purpose cables in China.

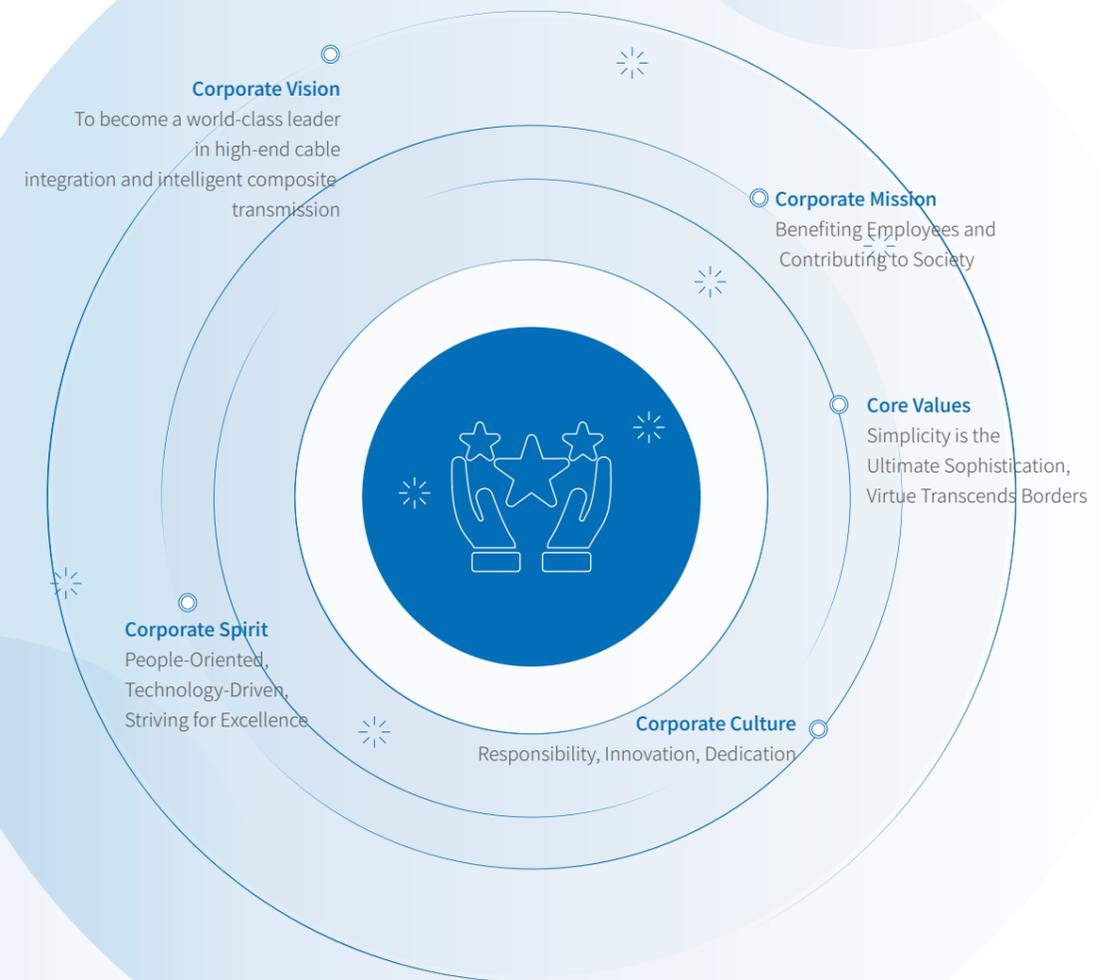
Guided by the philosophy of "Quality for Growth, Premium for Victory; Integrity as a SOE, Reputation Worldwide", the Company focuses on independent innovation, committed to delivering high-performance, highly reliable specialty cable products for aerospace and integrated equipment, robotics, metallurgical mining, rail transit, electric power & new energy, offshore engineering, and petrochemical industries. Currently, the Company is a key member of the National Wire and Cable Standardization Committee and one of China's top 10 specialty cable manufacturers. It possesses rare industry resources such as a National Enterprise Technology Center, the Hunan Provincial Specialty Cable Engineering Technology Research Center, Hunan Industrial Design Center, Hunan Expert Workstation, Hunan Key Laboratory for Specialty Cable Preparation, and a CNAS-certified laboratory. Its products have been widely applied in major national projects and key initiatives, including the construction of rockets, spacecraft and space stations, State Grid and China Southern Power Grid projects, State Power Investment Corporation initiatives, Sichuan-Xizhang Railway, Guangzhou-Shenzhen Railway, Beijing Daxing International Airport construction, and CNOOC offshore drilling platforms. The Company has been honored with multiple accolades including the National May Day Labor Award, National Innovation Pilot Enterprise, Hunan Provincial Governor's Quality Award, and National-level Specialized, Sophisticated, Distinctive, and Innovative "Little Giant" Enterprise. In 2023, it was included in the State-owned Assets Supervision and Administration Commission's list of world-class "specialized, sophisticated, distinctive, and innovative" demonstration enterprises, standing as the sole cable industry representative on this prestigious roster.

Anhui Sunchu Intelligence Technology Co., Ltd. (hereinafter referred to as "Sunchu"), the Company's subsidiary, is a national high-tech enterprise and a "specialized, sophisticated, distinctive, and innovative" SME in Anhui Province. It specializes in the R&D, production, and sales of industrial connectors and components. Its products and services are applied in fields such as factory automation, servo drive systems, CNC machine tools, industrial robots, and industrial manipulators. Sunchu has grown into a leading provider of industrial connection product solutions in the industry. Its key clients cover leading domestic and international enterprises as well as renowned listed companies, including Panasonic Group (Japan), Shenzhen Inovance Technology Co., Ltd., Wuxi Lead Intelligent Equipment Co., Ltd. (LEAD), Midea Industrial Technology, Nanjing Estun Automation Co., Ltd., Zhuhai Gree Intelligent Equipment Co., Ltd., Zhejiang Hechuan Technology Co., Ltd., China Leadshine Technology Co., Ltd., Beijing KND CNC Technique Co., Ltd., and Syntec CNC. The company is also actively expanding into the global market, with products exported to Germany, France, Italy, the United States, South Korea, Japan, India, Turkey and many other countries.

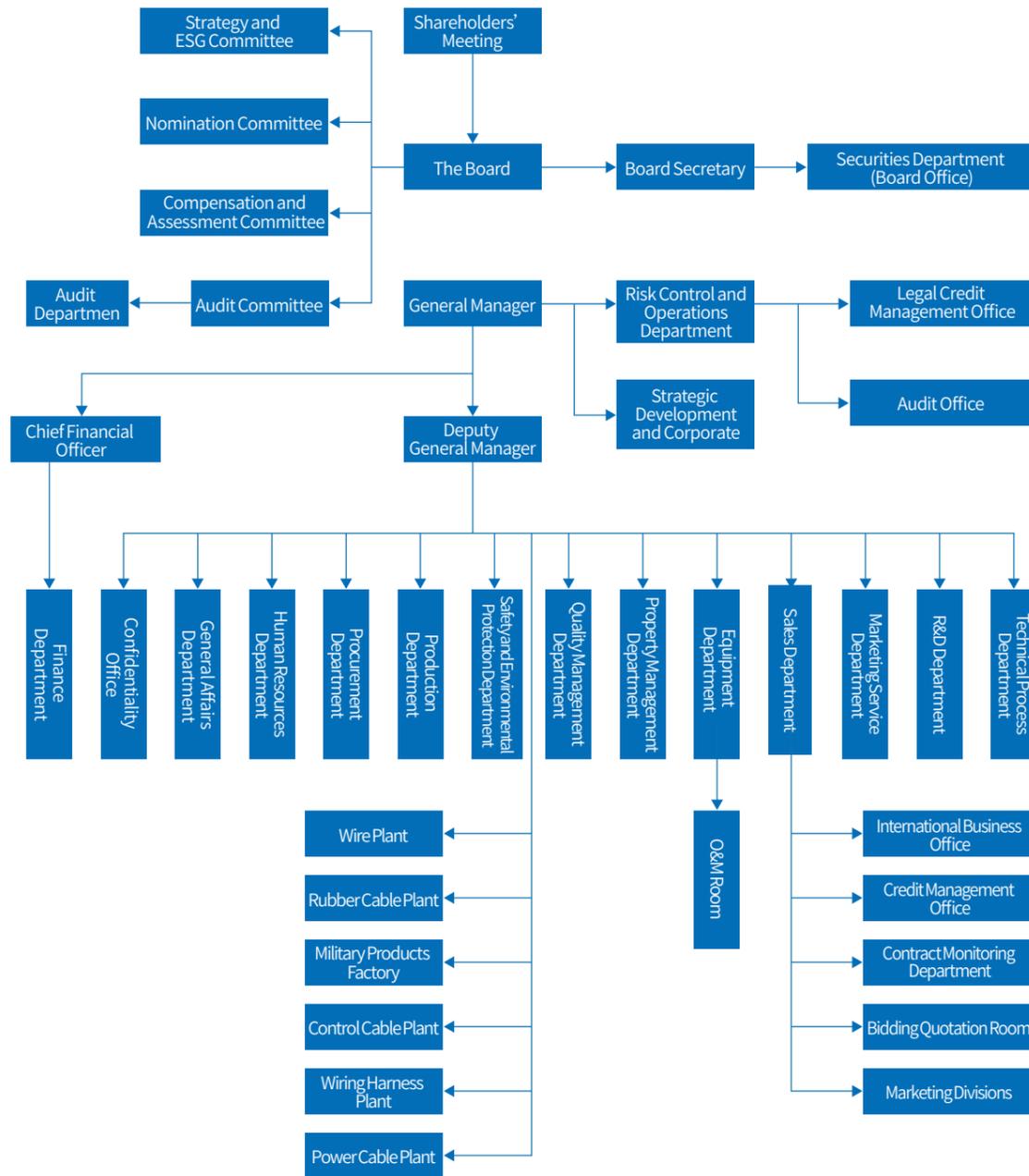


Corporate Culture

The Company places great emphasis on corporate culture building. Through years of dedication, it has gradually refined and formed a corporate culture centered on "Responsibility, Innovation, and Dedication", establishing a comprehensive corporate culture system that encompasses mission, vision, and core values.



Organizational Structure



Industrial Layout

The Company is a state-controlled enterprise specializing in the R&D, production, and sales of wires and cables, ranking among China's leading manufacturers of specialized cables. Adhering to the business and development philosophy of "Establish the Enterprise with Quality Products; Win the High-end Market through Excellence; Uphold Integrity as a State-owned Enterprise; Practice Morality Worldwide", the Company continuously explores the niche market of specialty cables, providing professional and high-quality products for aerospace and integrated equipment, data communication, robotics, rail transit, metallurgical mining, new energy, engineering equipment, and other fields. In recent years, the Company has participated in several key projects across various application domains, including:

Application Fields	Key Project Cases/Key Clients
<p>Aerospace and Integrated Equipment</p>	Construction projects of rockets, spacecraft and space stations, a key nuclear power project, the dual-SAR satellite project, as well as supporting components for various strategic models.
<p>Metallurgy and Mining</p>	Projects for CHN Energy, Zijin Mining, Shandong Energy Group, China National Coal Development Co., Ltd., Huabei Mining Industry (Group) Co., Ltd., Guizhou Energy Group, Guizhou Kailin Group, Yangquan Coal Industry Group, Shaanxi Coal Industry Company Limited, Shanxi Coking Coal Group, Jiangxi Copper Corporation Limited, Shandong Gold Group, Henan Energy Chemical Group, Hunan Iron and Steel Group, Jingye Group, Jianlong Steel Holding, China Nonferrous Metal Mining (Group), MCC Capital Engineering & Research Incorporation Limited, WISDRI Engineering & Research Incorporation Limited, MCC Changtian International Engineering Co., Ltd., WSGRI Engineering & Surveying Incorporation Limited, China Huaye Group, China MCC Group, Shanghai Baoye Group, and The 23rd Metallurgical Construction Group.
<p>Electric Power & New Energy</p>	Projects for State Grid, China Southern Power Grid, PowerChina, China Energy Engineering Group, China Eastern Electric Group, Hunan Thermal Power Construction Co., Ltd., Hunan Energy Group, Xi'an LONGi Clean Energy Co., Ltd., and China Anneng Construction Group, the Wenshan project for Sinohydro Engineering Bureau 8 Co., Ltd. and CHN Energy, the wind power project for CRRC Zhuzhou Institute, the project for Guangdong Mingyang Wind Power Technology, the project for Northwest Water Conservancy & Hydropower Engineering Co., Ltd. in Jingtai County, Baiyin City, Gansu Province, the project for Hunan Construction Engineering Group in Hongsibao District, the project for Hunan Red Solar New Energy Science and Technology CO., LTD., the project for Ningxia Baofeng Group, the Three Gorges Water Conservancy and Hydropower Project, the Gezhouba Water Conservancy and Hydropower Project, the new energy project in the Gurbantünggüt Desert Base for Shanxi Construction Engineering Group, and the Qinshui new energy project in Shanxi Province for China Longyuan Power Group Corporation Limited.
<p>Rail Transit</p>	Projects for Shenzhen Metro, Chengdu Metro, China Railway Guangzhou Bureau, Tianjin Metro, Chongqing Metro, Guangzhou-Zhanjiang Railway, Guangzhou-Shenzhen Railway, Hunan Expressway, Yibin-Zhaotong Expressway, Chengdu-Deyang Railway, among others.
<p>Specialized Construction Machinery</p>	Projects for China Railway Engineering Equipment Group Co., Ltd.(CREG), China Railway Group's Shield Tunnel Project, projects for Dalian Huarui Heavy Industry Group, Taiyuan Heavy Industry, CNOOC offshore engineering project, and projects for Zoomlion, Xuzhou Construction Machinery Group, Sany Heavy Industry, Suzhou Port & Shipping Investment and Development Group, Shanghai Zhenhua Heavy Industries Co., Ltd., Henan Mine Crane Co., Ltd., and Lanzhou LS Heavy Equipment Co., Ltd.
<p>Industrial Automation and Robotics (Sunchu)</p>	Panasonic Group (Japan), Shenzhen Inovance Technology Co., Ltd., Wuxi Lead Intelligent Equipment Co., Ltd. (LEAD), Midea Industrial Technology, Nanjing Estun Automation Co., Ltd., Zhuhai Gree Intelligent Equipment Co., Ltd., Zhejiang Hechuan Technology Co., Ltd., China Leadshine Technology Co., Ltd., Beijing KND CNC Technique Co., Ltd., and Syntec CNC.



The Company is anchored in three core sectors: aerospace and integrated equipment, specialized rubber-sheathed cables, and specialized controlling cables, strategically planning a comprehensive industrial chain layout and accelerating industrial integration and upgrading: expanding upward into core areas such as special conductors and polymer materials, overcoming key material technology bottlenecks, to achieve domestic substitution and autonomous control of core components; extending downward into businesses like connectors, components, and flexible boards, driving the transformation from single cable manufacturing to cable assemblies and system integration, precisely serving major national projects such as rockets and satellites; horizontally focusing on industry-leading cable enterprises with differentiated technological advantages, rapidly enhancing the Company's industrial scale and comprehensive competitiveness in aerospace and integrated equipment, as well as high-end specialized cable sectors, steadily advancing the implementation of the full industrial chain strategy, striving to become a world-class leader in high-end cable integration and intelligent composite transmission.



Honors of the "Golden Phoenix"



Award Date	Award Content	Award Issuing Authority
January 10, 2025	Letter of Appreciation	Hunan Electric Power Industry Association



Award Date	Award Content	Award Issuing Authority
March 14, 2025	Grade II Enterprise in Work Safety Standardization (Machinery)	Hunan Safety Technology Center



Award Date	Award Content	Award Issuing Authority
March 18, 2025	Hunan Consumer Education Base	Hunan Consumer Rights Protection Committee



Award Date	Award Content	Award Issuing Authority
May 9, 2025	2025 Top 10 Brands of Special Cables in China	National Bidding Supply Chain Brand Promotion Platform



Award Date	Award Content	Award Issuing Authority
May 21, 2025	2024 Hunan Outstanding Brand Cases	Hunan Brand Development Promotion Association



Award Date	Award Content	Award Issuing Authority
June 1, 2025	2024 Annual Hunan Province Enterprises Abiding by Contracts and Valuing Credit	Hunan Province Contract-Honoring and Creditworthy Enterprises Association



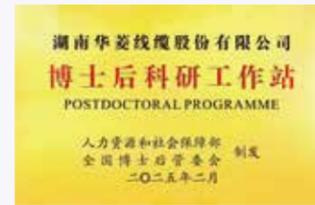
Award Date	Award Content	Award Issuing Authority
July 1, 2025	2024 Annual Xiangtan City Enterprises Abiding by Contracts and Valuing Credit	Xiangtan Enterprise Credit Promotion Association



Award Date	Award Content	Award Issuing Authority
August 1, 2025	2025 Top 100 Most Competitive Enterprises in China's Cable Industry	China Wire & Cable Network, Global Cable



Award Date	Award Content	Award Issuing Authority
September 1, 2025	Member of the 10th Council of the Electrical Cable and Wire Branch of China Electrical Equipment Industry Association	Electrical Cable and Wire Branch of China Electrical Equipment Industry Association



Award Date	Award Content	Award Issuing Authority
September 29, 2025	Postdoctoral Programme	Ministry of Human Resources and Social Security, National Postdoctoral Management Committee



Award Date	Award Content	Award Issuing Authority
October 20, 2025	Top 50 Tax Contributors Among Specialized, Sophisticated, Distinctive, and Innovative SMEs in Hunan Province 2024	Hunan Provincial Department of Finance, Hunan Tax Service of State Taxation Administration, Publicity Department of the CPC Hunan Provincial Committee, Hunan Federation of Industry and Commerce, Department of Science and Technology of Hunan Province, Industry and Information Technology Department of Hunan Province, Administration for Market Regulation of Hunan Province



Award Date	Award Content	Award Issuing Authority
October 29, 2025	Excellent Supplier in 2025	China National Coal Group Corporation



Award Date	Award Content	Award Issuing Authority
December 5, 2025	Thank-You Letter & Silk Banner	The 750MW Photovoltaic Project Department in Guiyang County for CEECHun Thermal Power Construction Company and China Longyuan Power Group Corporation Limited.



Award Date	Award Content	Award Issuing Authority
December 12, 2025	Top 10 Tax Contributors Among Specialized, Sophisticated, Distinctive, and Innovative "Little Giant" Enterprises in Xiangtan City 2024	Finance Bureau of Xiangtan City, Xiangtan Tax Service of State Taxation Administration, Publicity Department of the CPC Xiangtan Municipal Committee, Xiangtan Municipal Bureau of Science and Technology, and Xiangtan Municipal Bureau of Industry and Information Technology

ESG Management

The Company consistently places sustainable development at the core of its business philosophy and regards ESG as a strategic cornerstone for enhancing corporate governance compliance, elevating the quality and efficiency of development, and strengthening overall competitiveness. It has made sustained efforts to strengthen its capacity and awareness in fulfilling comprehensive responsibilities, and is committed to achieving sustainable and coordinated development of the enterprise, the environment and society.

> ESG Governance Framework

The Company continuously refines its ESG governance framework by establishing a Strategy and ESG Committee, responsible for reviewing corporate ESG strategies, objectives, policies, and implementation plans, overseeing the identification, assessment, and response measures for significant ESG-related risks, closely monitoring ESG-related laws, international standards, and stakeholder expectations, to ensure relevant risks are fully considered in comprehensive corporate governance and long-term decision-making, thus driving sustainable value creation.

> ESG Risk and Opportunity Management

The Company strives to maximize the multi-dimensional value for stakeholders and is committed to jointly improving overall performance in economic results, social benefits and environmental impact. By establishing a regularized mechanism, the Company systematically conducts identification and assessment of ESG-related risks and opportunities, with a focus on dual materiality analysis for core issues such as climate change and technological innovation. These are fully integrated into the risk management system to achieve unified planning, dynamic tracking, and targeted implementation.

The Company develops specific strategies for each identified material ESG issue, and strengthens process monitoring and dynamic assessment to achieve precise risk control and effectively capture opportunities. Detailed management actions and practical cases are elaborated in the respective sections of this report, comprehensively demonstrating the Company's in-depth governance in and commitment to addressing key ESG issues.

> Dual Materiality Analysis

The Company adheres to the "issue identification - materiality assessment - review and confirmation" process, systematically conducting stakeholder research and material issue evaluation. Considering industry characteristics, operational practices and regulatory rating requirements, the Company has comprehensively and systematically identified key ESG-related issues and evaluated them based on the dual dimensions of "financial materiality" and "impact materiality", ultimately screening out 22 highly relevant material issues. Through external expert evaluation and internal management review, the Company has finalized the 2025 ESG Material Issues Matrix, with specific details as follows:

Impact Materiality	Dual Materiality	Non-Material Issues	Financial Materiality
<ul style="list-style-type: none"> Energy Utilization Water Resources Utilization Pollutant Emissions Waste Disposal Circular Economy Employee Rights and Development Data Security and Client Privacy Protection Social Contribution Due Diligence Stakeholder Communication Anti-Commercial Bribery and Anti-Corruption 	<ul style="list-style-type: none"> Climate Change Response Occupational Health and Safety Product and Service Safety & Quality 	<ul style="list-style-type: none"> Ecosystem and Biodiversity Conservation Technology Ethics Rural Revitalization Equal Treatment of SMEs Anti-Unfair Competition 	<ul style="list-style-type: none"> Environmental Compliance Management Innovation-Driven Development Supply Chain Security Management

➤ Stakeholder Communication

The Company places high importance on stakeholder communication, systematically identifying various stakeholder groups such as shareholders or investors, government and regulatory bodies, clients, employees, and communities, and establishing regular communication mechanisms tailored to their respective needs. Through multiple channels, the Company identifies issues of concern to stakeholders and responds proactively.

Stakeholder Types	Key Issues of Concern	Communication Mechanisms and Methods
 Shareholders/Investors	Corporate Governance Risk Control Protection of Shareholders' Rights and Interests Transparency of Information Disclosure	Shareholders' Meeting Performance Briefing Release of Periodic Reports and Interim Announcements
 Government and Regulatory Authorities	Operation in Compliance with Laws and Regulations Tax Compliance Business Ethics and Anti-corruption Climate Change Response	Submission of Documents and Special Reports Acceptance of Supervision Anti-Corruption and Integrity Initiative R&D and Promotion of Products
 Clients	Product Quality and Safety Technological and Product Innovation Client Satisfaction	Products and Services Interview, Panel Discussion, and Questionnaire Survey Site Survey
 Employees	Democratic Communication Employee Compensation and Benefits Career Development and Training Occupational Health and Safety Care for Employees	Party Organization, Labor Union and Staff Congress Employee Training Work Communication
Suppliers	Supplier Management Business Ethics and Anti-corruption	Supplier Audits/Inspections Supplier Training
 Community Members /Organizations/ Non-Governmental Organizations	Environmental Protection Community/Social Contribution Technology R&D and Innovation Intellectual Property Protection Fair Competition	Corporate Announcements and Information Disclosure Public Welfare Activities Environmental Protection Promotion Anti-Corruption and Integrity Initiative Participation in Industry Standard Formulation Industry-University-Research Collaboration

Feature: Party Building Leads the Way, Cohesion Drives Development

As a state-owned enterprise, Valin Cable has always regarded upholding the Party's leadership and strengthening Party building as the root and soul of its development. The Company adheres to the principle of integrating Party building into corporate governance and the entire production and operation process, using high-quality Party building to solidify institutional foundation for the Company's steady and long-term growth, thereby promoting the deep integration and alignment between Party building efforts and enterprise development. By transforming the strengths of Party building into advantages in corporate governance and development, the Company provides solid political and organizational support to address development challenges and achieve strategic goals, gathering strong centripetal force for the "Golden Phoenix" development vision.

Integrating Party Leadership into Corporate Governance



- Guided by the work philosophy of "Party and Administration Work Together for Performance Excellence", the Company upholds the core value of "Dedicated people are our greatest asset". Focusing on production and operation tasks, it deeply integrates Party building into daily business and embeds Party building requirements into its corporate governance system. By fully leveraging the Party Committee's leadership in setting direction, managing the overall situation, and ensuring implementation, we synchronize Party building with production and operations in planning, deployment, and execution. This effectively transforms the strengths of Party building into tangible productive forces, ensuring high-quality corporate development under the guidance of Party leadership.
- The Company continues to strengthen the foundational work of Party building, striving to build a strong and resilient fighting fortress. It fully integrates integrity culture into the entire process of production and operation. In response to problems identified during group inspections and audits, the Company insists on immediate rectification and preventive improvement. It has carried out multiple rounds of routine self-examinations and self-corrections on disciplinary violations such as irregular dining and improper acceptance or giving of monetary gifts. By refining rectification plans and tightening the accountability chain, the Company consolidates the foundation for corporate development through solid and effective Party building.



Ideological Development

- The Company organized in-depth study of the guiding principles of the Third Plenary Session of the 20th CPC Central Committee. Party organizations at all levels strictly followed the requirements of the CPC Central Committee to carry out thematic education activities focused on thoroughly implementing the spirit of the eight-point decision on improving Party and government conduct (hereinafter referred to as "the Eight-Point Decision").
- The Company intensively carried out education on the spirit of the Eight-Point Decision and studied the guiding principles of the Fourth Plenary Session of the 20th CPC Central Committee.
- Members of the Party Committee gave Party lectures at their connected Party branches, hosted study and education reading classes, conducted integrity-themed heart-to-heart talks, and organized special seminars with presentations.
- By combining activities such as the "One Session, One Film, One Practice per Month" themed Party Day and the Party Conduct and Integrity Education Week of the State-owned Assets Supervision and Administration Commission of Hunan Provincial People's Government, the Company conducted various forms of warning education and achieved 100% coverage of online training. Through watching warning education films, analyzing typical cases, and reporting disciplinary violations and illegal activities, the Company guides Party members and officials to take cases as a warning, stay alert at all times, and build a strong ideological line of defense against corruption and moral decline.
- Party organizations adhere to the integration of learning and practice, aligning knowledge with action. They conduct comprehensive self-examination and self-correction in accordance with regulations, focusing on key areas such as excessive paperwork and meetings, official receptions, office premises, and the use of official vehicles to identify problems. Three lists have been established: a problem list, a responsibility list, and a rectification list, with clear deadlines and specific measures for improvement.
- The Company has incorporated the implementation of the guidelines of the Eight-Point Decision into daily supervision and annual assessment, establishing a regular and long-term oversight and management mechanism. This has promoted deeper and more solid work style improvement, with sound Party conduct driving continuous improvement in corporate culture and image.



Work Style Improvement

- The Company organized Party members to visit the memorial halls of Ren Bishi and Yang Kaihui for revolutionary-themed practical activities. Through on-site visits and learning, Party members gained a deeper understanding of the heroic deeds of revolutionary predecessors and the original aspiration and mission of the Party.
- The Company has intensified the special campaign to rectify the "Four Malfeasances" (favoring form over substance, bureaucratism, hedonism, and extravagance). All employees were organized to sign the Responsibility Statement for Party Conduct and Integrity Building and the Pledge Against Drunk Driving. By accurately identifying problems in daily supervision and eliminating hidden dangers at the source through institutional improvement, the Company has promoted deeper and more solid work style improvement, with sound Party conduct driving continuous improvement in corporate culture and image.



The Company adheres to Party building as the guide to invigorate primary-level vitality, gives full play to the vanguard and exemplary role of Party members, and fosters a strong corporate atmosphere of striving to learn from, catch up with and surpass role models. The Company guides the majority of Party members, officials and employees to fulfill their duties and responsibilities with dedication in their respective positions, and resolutely achieve the Company's business development goals. In the course of development, a large number of advanced collectives and outstanding individuals have emerged, providing role models for all officials and employees to learn from and follow. This has further stimulated the enthusiasm and vitality of the entire enterprise in pursuing entrepreneurship, demonstrated the combat effectiveness and cohesion of the workforce under the guidance of Party building, and gathered strong internal impetus for the Company's development.

Going forward, Valin Cable will continue to uphold the original mission of a state-owned enterprise and further strengthen the leading role of Party building. It will steadily advance the in-depth integration of Party building into corporate governance, production and operation, and team building, while continuously consolidating its Party building foundation, fostering a fine work style, and invigorating primary-level initiatives. With higher standards and more concrete measures, the Company will elevate the quality of Party building, effectively translating Party building strengths into core competitiveness for corporate development. High-quality Party building will lead and guarantee high-quality enterprise development, as the Company marches forward bravely in fulfilling the mission of a state-owned enterprise and serving national strategies.



The Second Party Branch of Valin Cable's Headquarters Organizes a Democratic Life Meeting



Valin Cable Organizes the Study and Implementation of the Guidelines of the Third Plenary Session of the 20th CPC Central Committee



Valin Cable Carries out In-depth Study and Education on the Guidelines of the Eight-Point Decision



Valin Cable Organizes Party Members to Visit the Ren Bishi Memorial to Review Revolutionary History and Draw Strength for Progress



Valin Cable Arranges Party Lectures for Members of the Party Committee



01

Green Development Writing a Chapter on Eco- Environmental Protection

Valin Cable adheres to the strategy of ecological priority and abides by the bottom line of compliant operation, integrating the concept of green development into the entire chain of production and operation. The Company empowers low-carbon transformation through technological innovation and drives efficient resource utilization with a circular mindset. It moves steadily in fulfilling the national "Dual Carbon" goals and protecting the ecological environment, continuously writing a green chapter of harmonious coexistence between the enterprise and nature.



System Building, Laying the Ecological Foundation

Valin Cable upholds the bottom line of environmental compliance and has established a compliance management system featuring "prevention in advance, control in process, and continuous improvement". By improving environmental management systems and standards, promoting clean production upgrades, and fostering a compliance culture, the Company has laid a green foundation for implementing the concept of ecological priority.

Environmental Compliance Management

> Governance

Valin Cable strictly complies with the Environmental Protection Law of the People's Republic of China and other relevant laws and regulations. It has formulated policies including the Environmental and Occupational Safety Management Manual, establishing a sound environmental management responsibility system. The Company designates the general manager as the primary person in charge, with the Safety and Environmental Protection Department as the main administrative body. Through the Environmental Protection Target Responsibility System, environmental protection responsibilities are delegated level by level to leaders at all levels, management personnel of branch factories, various functional departments, and ultimately to every employee. To strengthen environmental protection discipline, the Company has issued the Regulations on Environmental Management Prohibitions, clarifying prohibited acts and corresponding penalties. It also conducts regular environmental protection assessments of its affiliated entities, implementing a mechanism of rewards, commendations and sanctions to encourage all employees to participate in environmental protection.



During the Reporting Period

the Company obtained ISO14001:2015 (Environmental Management System) certification.

> Strategy

The Company actively responds to the national "Dual Carbon" goals and adheres to the principle of "Promoting energy conservation and consumption reduction, creating a green environment, providing low-toxic and harmless products, and achieving continuous improvement". It integrates the low-carbon concept and environmental protection into all links of production, operation and stakeholder cooperation, turning the green vision into concrete actions.

In 2019, the Company joined the Xiangtan Eco-Environment Protection Association and is currently a member unit. Through the association's platform, the Company maintains regular communication with government regulators, industry associations, clients and other stakeholders, timely understands their expectations for the Company's environmental management, and incorporates them into its environmental management framework.



> Impact, Risk, and Opportunity Management

Environmental Impact Management

The Company pays close attention to feedback from residents in communities surrounding its plants and minimizes any inconvenience to their daily lives caused by insufficient environmental management. To this end, the Company has established a complete internal management procedure. Upon receiving complaints from stakeholders such as the community or local residents, it promptly handles, investigates, rectifies and reviews the issues to continuously improve the effectiveness of environmental management.

Environmental Risk Management

The Company continuously improves its environmental risk control mechanism. Taking into account internal and external factors as well as the needs and expectations of stakeholders, it systematically identifies and assesses environmental risks and opportunities. Through the formulation and implementation of the Control Procedure for Identification and Evaluation of Environmental Factors and the Control Procedure for Hazard Identification and Risk Assessment, the Company has established an environmental risk management mechanism that covers the entire process, clearly defining the responsibilities and authorities for identifying and evaluating environmental factors and hazards, implementation procedures, evaluation criteria, and methods, while also classifying risk levels to ensure effective communication of significant environmental factors and major hazards across all levels of the Company and among various functions.

For identified environmental risks, the Company has developed the Emergency Plan for Sudden Environmental Incidents to ensure that in the event of sudden environmental pollution incidents, all emergency measures can be initiated swiftly, efficiently, and in an orderly manner, minimizing the environmental damage caused by accidents. The latest revision and filing were completed in 2025, and an emergency drill for emulsion leakage at the Wire Plant was successfully conducted.

Environmental Monitoring

The Company conducts real-time monitoring and dynamic management of atmospheric environmental quality, establishing relevant emergency response plans to ensure prompt response capability during emergencies, thereby minimizing the impact of atmospheric environmental risks on corporate operations. The Company formulates an annual Self-Monitoring Plan, entrusting third-party testing agencies to conduct self-monitoring, strictly implementing the requirements of "compliance control, risk prevention, green development, and responsibility commitment" for corporate eco-environmental protection.

> Indicators and Targets

Targets



Factory boundary noise emissions meet the Class II limits specified in GB 1234-2008 Emission Standard for Industrial Enterprises Noise at Boundary.

Workplace noise complies with applicable workplace noise control standards.



Waste gas discharge meets standards 100%.



Wastewater discharge meets the Grade III discharge standard under GB8978-1996.

Indicators



Number of pollution accidents and sudden environmental incidents in 2025: 0.

Promoting Green Transformation

» Cleaner Production Audit

The Company thoroughly implemented policies such as the 14th Five-Year Plan for the National Promotion of Cleaner Production (FGHZ [2021] No. 1524) and the Implementation Guidelines on Further Promoting Cleaner Production in the Industrial Sector of the Province (XGXJN [2024] No. 194). In 2025, the Company passed the voluntary cleaner production audit.

» Developing Green Products

Traditional cross-linked polyethylene (XLPE) insulated cables exhibit performance shortcomings under high-temperature and high-load conditions. Polypropylene (PP), as a high-performance thermoplastic, with its outstanding electrical properties, heat resistance, and environmental performance, has emerged as an ideal alternative to XLPE.

The medium-voltage PP insulated cable developed by the Company addresses the capacity expansion needs of medium-voltage distribution networks. It is suitable for urban power grids, renewable energy integration, and industrial applications, contributing to China's efforts in building a clean, green, low-carbon, energy-saving, and circular economic system.

The Company has successfully developed a 10kV-rated medium-voltage PP insulated power cable. By modifying PP through specific formula-based melt blending, the defects in mechanical properties, electrical performance, and aging resistance of PP insulation have been resolved. This cable demonstrates core advantages such as high-temperature resistance, recyclability, no cross-linking by-products, and low energy consumption for medium-voltage power cables, overcoming the shortcomings of XLPE cables in production, application, and end-of-life recycling.

» Implementing Green Design

The irradiated rubber-sheathed cables developed by the Company use irradiated rubber for both insulation and sheath materials. This process eliminates the continuous vulcanization process required for conventional rubber. After sheath extrusion, vulcanization of the insulation and sheath is completed directly via an electron accelerator. The Company's products are manufactured and inspected in accordance with the International Electrotechnical Commission's IEC 60245 standard.

Compared to traditional rubber-sheathed cables, irradiated rubber-sheathed cables exhibit significant advantages in energy conservation, environmental protection, and production efficiency. The product features high temperature resistance and odor-free properties, aligning with China's "Dual Carbon" policy goals. Additionally, the product has obtained RoHS and REACH certifications in both Chinese and English, meeting the requirements for export products to the EU. It is widely used in household appliances such as air conditioning wires and power cords.



Case: B1 Flame-Retardant Power Cable Achieves Multiple Innovations

The B1 flame-retardant power cable project has achieved multiple innovations in key technologies: adopting a high flame-retardant inorganic filling combined with glass fiber wrapping structure, effectively enhancing flame-retardant performance while reducing cable outer diameter and weight; through optimization of high-crusting sheath materials and tube extrusion processes, significantly improving drip performance and production efficiency. The Company boasts advanced equipment and a comprehensive quality management system, ensuring product consistency and reliability. In terms of economic benefits, the Company maintains a streamlined product portfolio with controllable costs, achieving a recyclability rate of 99.02%, which aligns with green manufacturing requirements. The project outcomes can be widely applied in high fire-safety-demand scenarios such as civil buildings and densely populated venues, demonstrating significant social and market value.

Case: Irradiated Rubber-Sheathed Cable with Irradiation-Crosslinked EPDM Insulation and CPE Sheath

The irradiated rubber-sheathed cable innovatively adopts irradiation-crosslinked EPDM (ethylene propylene diene monomer) for insulation and CPE (chlorinated polyethylene) for sheath materials. Combined with physical irradiation cross-linking technology, the product significantly improves high temperature resistance, oil resistance, aging resistance and environmental performance, in line with the national policies of green manufacturing and the "Dual Carbon" goals. The Company leverages advanced wire drawing equipment, stranding machines, and automated extrusion and irradiation systems to establish stable and controllable production capabilities. Its equipment ranks among the industry's best, underpinned by a robust quality assurance system. This product not only boasts a high recyclability rate (32.26%) but also effectively reduces production costs and enhances efficiency, demonstrating significant market competitiveness and promising prospects for widespread application.

Case: XLPE-UV Technology Replaces Traditional Steam/Chemical Cross-Linking

Adopting UV cross-linking technology in place of traditional steam/chemical cross-linking significantly reduces natural gas consumption and carbon emissions, eliminates wastewater and exhaust pollutants, alleviates environmental management pressure, and complies with green production standards. The crosslinking reaction time is shortened from several hours to mere seconds, boosting production efficiency by over 90%. The highly automated production line minimizes manual intervention, eliminates maintenance costs for large equipment like steam boilers, and reduces energy consumption costs by 60%-70%. Concurrently, enhanced production efficiency drives down labor costs per unit product.



Refined Operation: Focusing on Energy Conservation and Consumption Reduction

The Company has regarded energy conservation and consumption reduction as the core driver of refined operation, adhering to the principles of "Conservation First, On-Demand Use, Full Staff Participation", and deepening green practices in water resources, energy, and materials through systematic, end-to-end management models. The Company promotes efficient resource circulation through meticulous control, establishing an energy-saving and consumption-reduction system that covers procurement, production, and operations.

Water Resource Management

The Company actively responds to the overall requirements of the National Development and Reform Commission concerning the conserved and intensive use of water resources and rigid constraints during the 15th Five-Year Plan period. It strictly abides by the Environmental Protection Law of the People's Republic of China, the Water Law of the People's Republic of China and other relevant laws and regulations. In light of its actual conditions, the Company has formulated detailed internal water management rules in the Management Measures for the Energy System of the Rubber Cable Plant, clarifying the management responsibilities of employees and the reward and punishment mechanism for water use management.

Promoting Water Recycling

The Company's production water is supplied by the Xiangtan municipal tap water system, and the region is under water resource pressure. To proactively address this challenge, the Company strictly controls industrial wastewater discharge, having established eight cooling circulation pools, with approximately 90% of production water being recycled.

Strengthening Water Conservation Awareness

The Company regularly organizes departmental personnel and equipment administrators to conduct specialized training on water resource management, analyzing water usage in production areas and monthly YoY reduction rates during routine meetings, while implementing regular training through both online and offline channels, focusing on water resource management, water conservation, and the application of circulating water systems.

Water Conservation Target

In 2026, the Company plans to reduce water consumption by 5% compared with 2025.



Energy Management

Aiming to build a resource-efficient and eco-friendly enterprise, the Company has established the energy policy of "Standardized Operation, Optimized Energy Use, High Efficiency and Energy Conservation, and Green and Environmental Protection", continuously promoting the effective operation of the energy management system. At present, the Company's energy use is mainly concentrated in the manufacturing of wires and cables in production workshops and daily office work. The main energy types include electricity, natural gas and solar energy, with purchased electricity and natural gas as the primary sources.

To efficiently implement various energy management tasks, the Company has formulated the Energy Management Manual, established and implemented the Energy Statistical Management Procedures and the Energy System Process Monitoring and Evaluation Procedures. It monitors, measures, analyzes and evaluates the operation of the energy management system and the key characteristics affecting energy performance.

› Clean Energy/Renewable Energy Usage

Use of Clean Energy:

The Company has installed distributed solar panels on parking lot canopies, employee apartments, and rooftops of production facilities. More than 95% of the generated clean energy is for self-consumption. In addition, the Company optimizes its energy structure by purchasing green electricity to reduce greenhouse gas emissions from production and operation.

Water Circulation System

The application of the water circulation system reduces water resource loss while effectively lowering power consumption.

› Energy Conservation and Emission Reduction

Energy-saving Renovation of Production Equipment

Adhering to the principle of conservation first, the Company continuously implements the "Energy Efficiency Improvement" program. Through the application of advanced energy-saving technologies, deployment of energy monitoring systems and centralized equipment procurement, it achieves precise control over energy consumption of individual equipment.

Procurement of Energy-saving Lighting Equipment

To enhance energy utilization efficiency in production and operational processes, the Company has vigorously promoted the replacement of lighting equipment with energy-efficient alternatives in office areas.

Use of Renewable or Clean Energy

The Company continues to expand its photovoltaic power generation systems, adhering to a self-generation and self-consumption model, and steadily increasing the proportion of clean energy (green electricity) usage.

In 2025

the Company's total energy consumption stood at **5,958.28** tce

with an energy intensity of **0.0132** tce per RMB 10,000 revenue reflecting a low energy consumption level.

Material Management

The Company upholds the closed-loop philosophy of “maximizing utility and circular regeneration”, continuously optimizing procurement and inventory turnover models, reducing warehousing losses, minimizing environmental impact, embedding resource efficiency into corporate DNA, and driving high-quality development through green operations.

> Material Storage & Turnover

In logistics transportation, the Company has completely phased out the use of China IV and below medium- and heavy-duty diesel trucks (including gas-powered vehicles) for cargo transportation. The Transportation Management System (TMS) enables real-time tracking of shipment routes and immediate client feedback, allowing prompt response to exceptions such as heavy rain, snow, or traffic accidents. For internal material transfer, the Company has introduced autonomous AGVs (automated guided vehicles) to enhance logistics efficiency. Regarding warehouse management, the application of Warehouse Management System (WMS) effectively saves production operation space and improves spatial utilization, while achieving FIFO (First In First Out) for raw materials, effectively preventing material backlog.

> Material Recycling

The Company sorts and recycles waste copper and copper granules generated during waste cable processing. These materials are either reused internally or exchanged with copper suppliers. It is estimated that the comprehensive recycling rate of waste copper exceeds 95%.



Pollution Control and Emission Reduction: Jointly Building Lucid Waters and Lush Mountains

The Company has consistently adhered to the concept of green development, regarding pollution prevention as a key measure to fulfill environmental responsibilities. The Company has established a full-process pollution prevention and control mechanism featuring “source prevention, process control, and end-of-pipe treatment”, and has continuously intensified efforts in wastewater, waste gas and solid waste management to minimize environmental impacts.

In terms of management systems, the Company has formed a pollutant emission management model of “system guidance, institutional guarantee, and full-process control”. Guided by the principles of “Resource Conservation, Environmental Friendliness, Green and Safe Operation”, the Company has formulated management systems for environmental self-monitoring, facility operation and maintenance, and risk emergency response, and appointed full-time management personnel. It strictly implements the requirements of pollutant discharge permits, and adopts categorized control measures for waste gas, noise, solid waste and other pollutants, supported by on-line monitoring and third-party testing. Special night-time noise inspections are conducted on a regular basis. The Company has put institutional requirements into effect through process upgrading, facility renovation, clean energy substitution and other measures.



Wastewater Management

The Company actively fulfills its responsibility for water resource protection, strictly adhering to the Environmental Protection Law of the People’s Republic of China, the Water Pollution Prevention and Control Law of the People’s Republic of China, and other relevant laws and regulations. In line with its specific conditions, the Company has established a comprehensive wastewater management system and framework, implemented groundwater pollution prevention measures, and effectively managed domestic sewage discharge, significantly reducing water pollution.

To ensure the sustainable utilization of water resources, the Company identifies and categorizes major wastewater sources such as cooling circulation pool water, domestic sewage in the plant area, and rainwater. It adopts targeted treatment measures and conducts regular monitoring to ensure compliance with discharge standards.

Waste Gas Management

The Company strictly adheres to laws and regulations such as the Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution, establishing clear and comprehensive exhaust gas control standards [Emission limits for non-methane total hydrocarbons (NMHC), VOCs and other pollutants; clear control standards for particulate matter and hydrogen chloride in combustion test waste gas.]. The primary sources of the Company’s waste gas include plastic extrusion exhaust, enameling oven exhaust, fluoroplastic wrapping and extrusion exhaust, rubber mixing dust, vulcanization organic exhaust, boiler gas exhaust, welding fumes, ink exhaust, and canteen cooking fumes.

For effective waste gas management, the Company’s Special Cable Plant, Control Cable Plant, Plastic Cable Plant, Cross-linking Plant and Rubber Cable Plant have invested in a total of six sets of waste gas treatment facilities. Real-time monitoring and dynamic control of ambient air quality are implemented, and corresponding emergency plans are established to ensure rapid response in emergencies and minimize the impact of atmospheric environmental risks on the Company’s operations.



In 2025

Environmental Renovation of Enameled Wire Process in Special Cable Plant

The Company upgraded the environmental protection facilities for the enameling process in the Special Cable Plant, phasing out outdated UV photo-oxygen catalytic process. New environmental protection facilities were added to effectively collect and treat fugitive emissions from extrusion and plastic extrusion processes. After treatment by the equipment, the emission indicators of exhaust gases far exceed national standards.

Upgraded Waste Gas Treatment in Fire-resistant Cable Workshop

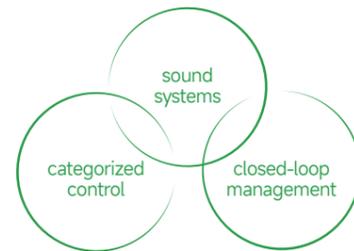
The newly-built fire-resistant cable workshop is equipped with an integrated environmental protection system featuring "closed collection + alkaline washing tower + dry filtration + activated carbon adsorption + desorption catalytic combustion". The systematic upgrade of the waste gas treatment process has effectively reduced emissions of volatile organic compounds (VOCs).

Noise Management

The Company strictly adheres to the requirements of the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, and the Emission Standard for Industrial Enterprises Noise at Boundary among other relevant laws and regulations. It has formulated the Noise Management System to ensure that noise emissions during production and operational activities comply with national environmental noise emission standards. By effectively identifying and controlling major noise sources, the Company continuously reduces the impact of operational noise and factory noise on employees and surrounding residents.

Waste Disposal

The Company has established a waste management system featuring "sound systems, categorized control, and closed-loop management". It adheres to the principles of "polluter pays" and "traceable and verifiable" management for solid waste. By revising the Solid Waste Management System, the Company clarifies the responsibilities of environmental protection, production, logistics, and other relevant departments, forming a full-process management responsibility chain. This achieves classified collection, standardized temporary storage, and compliant disposal of waste, as well as clear records and traceable destinations.



› Non-hazardous Waste Management

General Industrial Solid Waste Management

Focusing on the full-process control of non-hazardous waste, the Company implements green governance through a multi-pronged approach: source reduction, classified disposal, and resource recycling.

Source Reduction

Upgraded automated intelligent equipment and optimized production processes have reduced the defect rate from 3% to 1.2%, cutting the generation of scrap metal, waste plastic, and other waste at the source.

Process Control

The Company has promoted clean energy substitution and digitalized regulation to reduce waste generation in production.

› Hazardous Waste Management

The Company follows the basic principles of "unified collection, classified disposal, and hazard elimination", with the management objectives of "waste reduction, recycling, and harmless treatment". It has formulated documents including the Methods and Procedures for Hazardous Waste Disposal and the Hazardous Waste Management Plan. The Safety and Environmental Protection Department regularly contacts qualified hazardous waste treatment companies for disposal, and maintains complete management records.

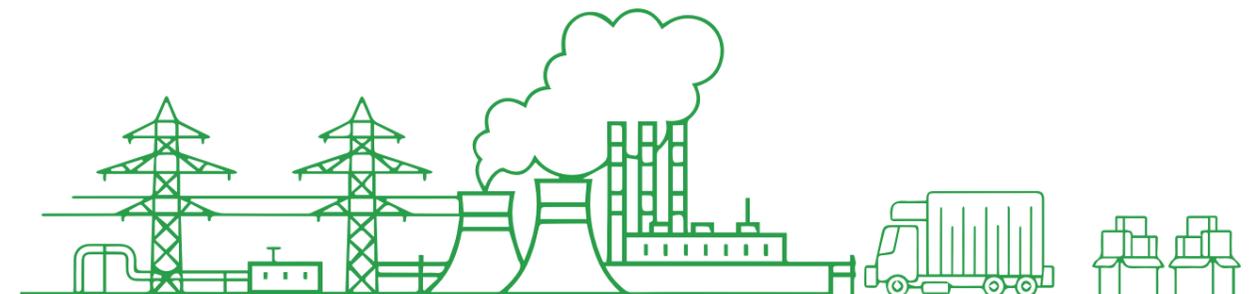
The Company has established a sound emergency response plan for hazardous waste and provides regular professional training for hazardous waste management personnel, ensuring that the staff possess the required knowledge and skills.

Supported by internal supervision, inspection, and employee training mechanisms, the Company strictly adheres to national standard requirements, achieving 100% compliant waste disposal and reinforcing the bottom line of resource recovery and harmless treatment.



› Hazardous Chemicals Management

The Company places high importance on the management of hazardous chemicals. In accordance with its actual conditions, it has formulated relevant regulations such as the Hazardous Chemicals Management System and the Rules on the Safety Management of Hazardous Chemicals, so as to comprehensively improve the guarantee capacity for safe production and effectively prevent and curb environmental pollution incidents caused by hazardous chemical leaks during production, storage, loading/unloading and use. At the same time, the Company has established and improved an emergency response mechanism to ensure rapid and effective countermeasures in the event of a hazardous chemical leak, minimizing environmental risks to the greatest extent.



Low-Carbon Development: Addressing Climate Change

The Company focuses on greenhouse gas emissions management as a key lever, anchoring its efforts firmly in the "Dual Carbon" goals. It integrates the concept of green and low-carbon development across the entire production and operation chain. The Company actively identifies and responds to climate-related risks and opportunities, and continuously strengthens corporate climate resilience, contributing to global climate governance with corporate strength.

Greenhouse Gas Management

The Company embraces green and low-carbon development with a strong sense of responsibility. Through a series of technical renovation projects for energy conservation and emission reduction, it has effectively reduced the product carbon footprint and contributed to ecological protection and sustainable development. In 2025, the Company obtained triple certifications: carbon neutrality, carbon footprint, and greenhouse gas inventory.



The primary greenhouse gas emitted by the Company is CO₂, with accounting scope covering Scope 1 and Scope 2. Among those, Scope 1 emissions refer to the CO₂ generated from the Company's fossil fuel consumption, primarily including diesel used for company vehicles and natural gas utilized in production processes. Scope 2 represents greenhouse gas emissions converted from net purchased electricity, mainly consisting of the Company's external power procurement.

» Green Office

The Company practices the concept of green office, committed to building a resource-efficient and eco-friendly enterprise. By optimizing communication methods, the Company encourages online meetings, reduces the use of paper documents, and advocates for paperless office operations.

It advocates waste sorting, turning off lights when not in use, and rational use of air conditioners among employees, practicing green office in every detail.

» Energy-saving Renovation

Through energy-saving technological upgrades, the company has enhanced energy utilization efficiency and reduced equipment energy consumption, further promoting the deep integration of green office and green production. This initiative has elevated the company's green management standards, created a low-carbon and eco-friendly office environment for employees, and demonstrated the enterprise's responsibility and commitment in green development.

Climate Change Response

» Governance

The Company designates the Safety and Environmental Protection Department as the centralized management unit for climate change issues, responsible for overseeing climate-related impacts, risks, and opportunities. As the daily executive body, the Safety and Environmental Protection Department coordinates various business units to advance climate change initiatives, effectively conducting climate-related information disclosure and internal/external communication. The Company proactively explores climate governance models tailored to industry characteristics, contributing to climate risk management through concrete actions.

» Strategy

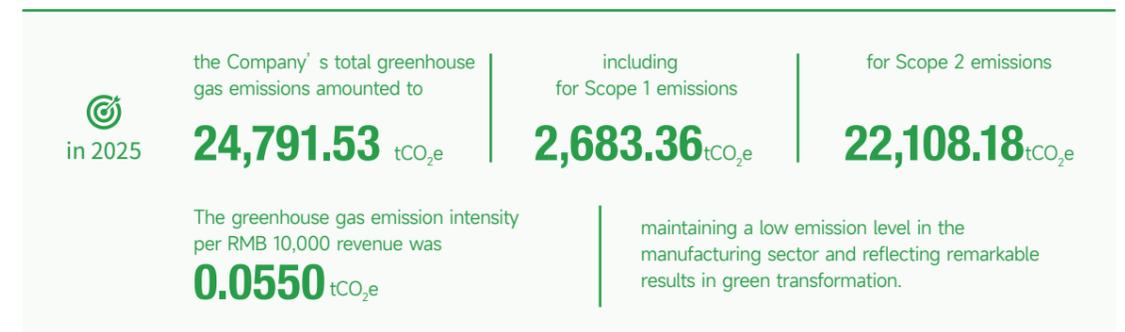
The Company has incorporated green and low-carbon initiatives into its overall development strategy and "15th Five-Year Plan", systematically establishing a three-step green and low-carbon transition path of "clean substitution, strategic succession, and green transformation", to actively and steadily advance the carbon peak target. In terms of risk and opportunity management, the Company fully considers the impact of climate change on the industry, closely tracks national policy directions and industry development trends, thoroughly analyzes client needs, systematically identifies and assesses climate-related risks and opportunities, and accordingly formulates corresponding risk management initiatives and response measures to ensure strategy implementation and risk control.

Categories of Risks and Opportunities	Risk Description	Countermeasures
Physical Risks	Acute Risks - Floods	Increasingly frequent floods may damage buildings, plants, facilities and equipment at major production bases. <ul style="list-style-type: none"> The Company conducts key inspections on the foundation stability of drainage systems around the production facilities, identifies vulnerable areas prone to flood damage, and develops a graded response mechanism, an emergency material allocation plan, and personnel evacuation routes.
	Chronic Risks - Changing Precipitation Patterns	Increased frequency of heavy rainfall may lead to work stoppages, production halts, and reduced capacity. <ul style="list-style-type: none"> The Company has established a dynamic raw material reserve mechanism to maintain production continuity during extreme weather, diversify raw material procurement channels, and reduce reliance on single regions or transportation routes.
	Chronic Risks - Water Scarcity	Water shortages at major production bases may lead to higher water supply costs. <ul style="list-style-type: none"> The Company comprehensively assesses its water usage, including total volume, consumption processes and water source structure. Combined with local water resources and climate change trends, the Company identifies potential water supply risks. The Company launches water conservation initiatives, promotes wastewater recycling to improve water reuse efficiency, and provides water-saving training to enhance employees' awareness.
Transition Risks	Market Risks - Carbon Market and Carbon Pricing	Increased uncertainty in energy prices. <ul style="list-style-type: none"> The Company strengthens energy management, improves energy efficiency, and reduces power consumption. The Company increases investment in low-carbon technology research and development, actively introduces and applies advanced energy-saving and emission-reduction technologies and equipment to enhance energy efficiency and reduce carbon emissions.
	Reputational Risks - Stakeholder Expectations	Excessive greenhouse gas emissions and ecological damage may trigger public dissatisfaction and criticism, leading to corporate image impairment. <ul style="list-style-type: none"> The Company actively communicates with investors, clients, suppliers, communities and other stakeholders to understand their concerns and expectations on climate change issues, and responds to relevant questions in a timely manner.

» Impact, Risk, and Opportunity Management

The Company has established a climate change risk matrix to identify risk and opportunity types, uncover climate change risk factors related to its production and operational processes, form a comprehensive assessment framework, and enhance its climate resilience.

» Indicators and Targets





02

Advancing Together to Chart a Harmonious and Beautiful Vision

The Company adheres to its mission of “Benefiting Employees and Contributing to Society”, embedding social responsibility into the corporate development DNA, and connecting all stakeholders through value co-creation. Internally, the Company has established a comprehensive talent system encompassing “talent attraction, cultivation, utilization, and retention”, laying a solid foundation for sustainable development. Externally, it strengthens product quality through R&D innovation, fosters collaborative synergy with a sustainable supply chain, and fulfills social responsibilities through philanthropy, rural revitalization, and the joint development of the Belt and Road Initiative. In the process of empowering industrial upgrading, serving national strategies, and promoting common development, the Company demonstrates the responsibility and warmth of a state-owned enterprise in the new era through concrete actions.



Talent Empowerment: Strengthening Competitive Advantages

Valin Cable regards employees as a vital force driving corporate innovation and development, consistently placing employee growth at a strategic level. The Company has systematically established a full-cycle mechanism for "talent attraction, cultivation, utilization and retention", consolidates its competitive foundation with talent advantages, and builds a broad platform for employees to give full play to their capabilities. Meanwhile, the Company places high priority on employee well-being, actively fostering a work environment characterized by respect, inclusivity, and empowerment, while continuously enhancing employees' sense of belonging, fulfillment, and happiness.

Employee Recruitment

The Company strictly adheres to relevant laws and regulations such as the Labor Contract Law of the People's Republic of China, and has established a series of institutional rules including the Human Resource Management System and the Measures for Employee Recruitment and Employment Management, comprehensively standardizing its employee recruitment processes.

To foster an equal and fair workplace atmosphere, the Company prohibits any form of discrimination based on age, gender, religion, nationality, or ethnic minority status, and strictly prohibits the employment of child labor or forced labor, effectively protecting the legitimate rights and interests of minors.

The Company employs a multi-channel recruitment approach, including internal selection, social recruitment, campus recruitment, and commissioned recruitment, strictly adhering to position-specific hiring standards to meet the diverse talent requirements across various levels of positions.



Internal Selection

Methods like employee self-nomination, outstanding performance-based promotion, and departmental recommendations are utilized to identify internal talent.



External Recruitment

The Company utilizes campus recruitment and social recruitment to extensively absorb fresh graduates and experienced professionals.



Commissioned Recruitment

The Company has signed entrusted recruitment contracts with intermediary institutions such as talent centers and human resource service agencies, expanding talent acquisition channels.

While ensuring the operational needs of the business, the Company actively fulfills its social responsibilities, providing employment opportunities for individuals with disabilities and encouraging the recruitment of veterans and individuals from remote areas, assisting special groups in integrating into the workplace. In performance evaluations, the Company strictly assesses each employee based on their professional skill level, work outcomes, and specific contributions to the Company, conducting comprehensive and fair performance appraisals to provide an objective basis for talent development.



Case: Focusing on Strategy and Precisely Introducing High-End and Digital-Intelligent Talent

In 2025, the Company introduced 19 master's and doctoral holders and six digital-intelligent R&D professionals. The Company has launched a special compensation package targeting core majors at Project 985 universities and industry-specific universities to enhance its competitiveness in campus recruitment. For high-end and scarce professionals, it has opened a market-oriented "case-by-case" negotiation channel. Meanwhile, the Company has deepened cooperation with universities including Harbin University of Science and Technology and Central South University, jointly built R&D platforms and talent bases, and established a postdoctoral research station to broaden the source of high-quality candidates and expand the Company's talent pool.



introduced doctoral holders
19 master's



introduced digital-intelligent R&D professionals
6

Employee Development and Training

The Company strengthens human resource development and performance reform, accelerating the establishment of a trinity organizational system. By adjusting the organizational structure, sorting out departmental frameworks and clarifying job responsibilities, the Company has provided employees with clear duties and promotion paths, effectively enhancing internal development momentum and vitality. In terms of talent cultivation, the Company leverages initiatives such as leadership development camps, lean production training programs, and vocational skills competitions to establish a multi-tiered, multi-dimensional, and multi-channel training and rotation system, dedicated to refining the high-skilled talent cultivation framework and nurturing more knowledge-based, skilled, and innovative modern-era employees.



> Employee Development

The Company adheres to fostering talent through practice, formulates a sound talent development system, and creates abundant career development opportunities and smooth promotion channels for employees. By clarifying the job responsibilities and tasks of each position, the Company divides the career development channels into five series based on the nature and characteristics of the positions, and evaluates levels based on job qualifications and requirements. Each career development level includes two to four development tiers, forming a stepped growth path, which effectively stimulates employees' work enthusiasm and promotes the coordinated development of individuals and the organization.

> Employee Training

The Company places great emphasis on employee training and has established a comprehensive lifecycle training management system covering new employee development, skilled talent cultivation, and management training, ensuring that employees at different stages of development can acquire essential knowledge and skills.

To systematize and standardize internal training initiatives, the Company has formulated the Training Management Measures, which clearly define training content, implementation, budget allocation, and effectiveness evaluation, ensuring training programs are executed in a planned, focused and phased manner. By continuously refining the training system, the Company effectively meets the demands of business development and talent requirements at all levels, providing solid support for maintaining long-term stability of the workforce.



Case: Innovating Training Models and Deepening Industry-Education Integration and Full-Employee Empowerment

The Company has launched an "Order Class" as a model of industry-education integration, such as the "Cable Orientation Class". Through a "1.5 years of theory + 0.5 years of on-the-job training" approach and a dual-mentor system, it achieves "enrollment as employment", having trained over 30 skilled professionals in a targeted manner. Simultaneously, the Company systematically empowers all employees: organizing AI and digital-intelligent thematic training, conducting skills competitions and certification assessments, and enhancing new employee onboarding and industry-standard training. This builds a year-round, comprehensive training system covering all staff.



Compensation and Benefits

Adhering to the principles of “budget management, total amount control, performance linkage, and final settlement”, the Company has established a fair and reasonable compensation and benefits system, alongside a scientific performance appraisal mechanism. In accordance with relevant national laws and regulations, the Company has formulated systems such as the Compensation and Benefits Policy and the Total Wage Management Measures, providing institutional safeguards for compensation management.



- budget management
- total amount control
- performance linkage
- final settlement

» Performance Management

To foster a fair and efficient working environment, the Company has established a comprehensive performance management system, adopting the Balanced Scorecard (BSC) performance model to build a departmental performance evaluation framework. Based on employee performance and value contribution, the Company allocates performance bonuses scientifically and flexibly, with evaluations comprehensively covering work performance and outcomes to ensure income is closely tied to contributions. By effectively motivating employees' enthusiasm and creativity, it strongly supports the achievement of the Company's strategic and operational objectives.

» Performance Feedback and Appeal

The Company has established a comprehensive personnel evaluation system covering multiple dimensions such as work performance, work attitude, and teamwork. During the evaluation process, the management conducts objective assessments based on employees' daily work performance, while employees engage in mutual evaluations to ensure the entire process is democratic, fair, and transparent. The evaluation results will serve as a key reference for employee promotions, rewards, and performance improvement, effectively motivating staff to enhance their work enthusiasm and creativity.

Case: Deepening Compensation and Performance Reform to Establish a Benefit Linkage Mechanism

The Company promotes the restructuring of the performance system to support efficiency enhancement. First, it optimizes the evaluation model, establishing a performance system centered on the Balanced Scorecard, decomposing objectives layer by layer, and strictly implementing forced performance distribution to achieve a distribution orientation of “high incentives, strong constraints”. Secondly, it promotes market alignment, implementing a project application system and bonus pool to provide precise and above-target incentives for teams that make breakthroughs in “bottleneck” technologies or expand major markets.

» Benefits System

The Company has always attached great importance to employee well-being. By formulating the Employee Care Plan, it has put employee care into practice, and strove to create a better working environment and development space for employees, so that every employee can gain a sense of belonging and happiness in the Company.

Statutory Benefits	Special Benefits	Other Benefits
Five insurances and one fund (i.e., endowment insurance, medical insurance, unemployment insurance, employment injury insurance, maternity insurance, and Housing Provident Fund), paid annual leave, and statutory holidays	Staff major supplementary medical insurance and group accident insurance	Meal subsidies, housing subsidies, limited reimbursement of mobile communication fees, limited reimbursement of transportation fees, commercial supplementary insurance, holiday benefits, Women's Day care, new-born baby gifts, employee physical examinations, hospitalization consolation, and birthday greetings

Care for Female Employees

- The Company recognizes the pillar role played by female employees, genuinely focuses on their rights and interests as well as benefits, guarantees their rights and interests, such as marriage leave, maternity leave, paid breastfeeding leave, and special insurance for female employees, and provides comprehensive care and support for female employees.

Talent Benefits

- The Company creates excellent living and working conditions for talented people, providing single apartments, free working meals, as well as settling-in allowances for newly hired Ph.D., master's, and bachelor's degree holders according to standards, with additional housing subsidies for Ph.D. holders.

Career Care

- The Company organizes welcome ceremonies, onboarding training, mentorship initiation ceremonies, and talent showcases for new employees to help them quickly integrate into the corporate culture and work environment. For retired employees, the Company presents honorary retirement gifts and invites them to participate in major events such as annual meetings and anniversary celebrations.

Donating Relief Supplies for Employees with Disabilities



Occupational Health and Work Safety

> Governance

The Company strictly complies with relevant occupational health and work safety laws and regulations. During the Reporting Period, it revised the Occupational Health and Safety Management System and the Post Safety Operating Procedures, and formulated the Employee Hazard Reporting and Reward System and the Internal Reporting and Incentive Mechanism for Environmental Hazard. These measures have strengthened the standardization, safety, and systematic management of daily safety production operations.

In terms of organizational development, the Company has established a sound safety management structure by forming a work safety leadership group, serving as the governing body for work safety, with the Company's general manager serving as its leader. The work safety leadership group has established a work safety supervision and management agency (the Safety and Environmental Protection Department), responsible for implementing all aspects of work safety management.

 During the Reporting Period

the Company successfully passed the ISO45001:2015 (Occupational Health and Safety Management System) certification audit and Grade II work safety standardization audit.

> Strategy

The Company places high importance on fostering a culture of safety, adhering to the production safety principle of "Safety First, Prevention Foremost, and Comprehensive Management". Upholding the principle of "balancing prevention and emergency response, integrating routine and non-routine measures", it implements the occupational health and safety management policy of "Caring for Employees and Giving Back to Society", embedding the concept of safety into the corporate development DNA.



> Impact, Risk, and Opportunity Management

Improving the Emergency Management System

The Company has continuously strengthened the building of its emergency management system, regularly planning and organizing emergency drills to test the effectiveness and operability of emergency plans, thereby enhancing employees' emergency awareness and teamwork capabilities. The Company's emergency drills cover multiple scenarios from natural disasters to production accidents, ensuring that when facing a real crisis, the Company can respond quickly and in an orderly manner to minimize losses.

Safety Risks and Hazard Identification

The Company maintains regular risk identification and hidden danger investigation. During the Reporting Period, a total of 58 special safety inspections were organized, uncovering 8,895 potential hazards. The Company carried out company-wide training and examinations on post operation systems and equipment operation for operational posts. In total, more than 110 safety training sessions were completed throughout the year. It successfully promoted all departments and plants to establish the "dual prevention" system for risk control and hidden danger investigation and management, and continuously improved the maintenance of safety protection facilities to ensure their safe and effective operation.



special safety inspections were organized
58

uncovering potential hazards
8,895

safety training sessions
110

Strengthening Safety Responsibilities

The Company has established and strictly implemented the production safety responsibility system, and comprehensively promoted the grid-based management of safety. Heads of departments and offices have signed the Work Safety Responsibility Agreement, and heads of all plants, departments and offices signed the Work Safety Commitment with employees, forming a responsibility chain with layer-by-layer accountability and full participation, so as to ensure the effective implementation and continuous improvement of production safety measures.

Improving Risk Prevention and Control Capacity

To enhance employees' awareness of safety and potential risks, as well as their comprehensive command, rapid response, emergency handling, and coordination capabilities in dealing with sudden incidents and injury accidents, the Company organized emergency drills for various scenarios such as "object strikes", "lifting injuries", "mechanical injuries", "electric shock injuries", and "fires" based on actual production conditions. Additionally, online and offline safety knowledge competitions were conducted, a themed production safety speech contest titled "Identifying Hidden Hazards Around Us" was held, and the health and safety home visit program has been continuously advanced. Meanwhile, the Company has developed an annual training plan and regularly organized specialized safety training sessions for employees, comprehensively improving occupational health and safety risk prevention and control capabilities.

Case

The Company Holds Themed Activities on Production Safety and Occupational Health

Production Safety Drill

The Company has comprehensively promoted grid-based safety management, consolidated the primary responsibility of departments, persisted in risk identification and hidden danger investigation, carried out training and examinations on post operation systems and equipment operation for all staff, strictly enforced safety management of external contractors, and cracked down on illegal command and reckless operations. It has completed the installation of an eco-friendly intelligent access control and video monitoring system, realizing comprehensive and precise supervision of inbound and outbound transport vehicles, intra-factory transport vehicles and non-road mobile machinery.



Production Safety Training

In total, more than 110 safety training sessions were completed. The Company, jointly with the municipal Center for Disease Control and Prevention, carried out health follow-ups for 168 person-times under the "WECAN" program. It produced short videos of family safety messages and warning videos on safety operation procedures for eight major processes, which were highly praised and promoted by the Xiangtan Municipal Emergency Management Bureau.



Occupational Health Hazard Investigation

The Company organized health and safety home visits to 45 employees' families, held a speech contest themed "Identifying Hidden Hazards Around Us", and launched an online safety knowledge quiz. Through entertaining education, the Company guided employees to internalize the safety concept in their minds and externalize it in practice.

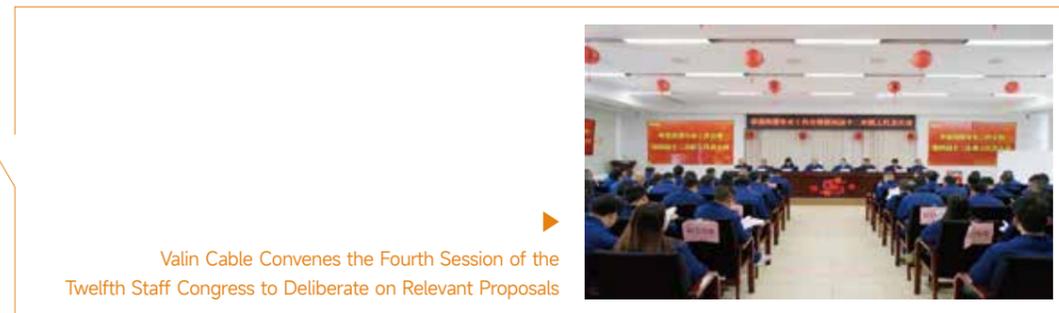


Democratic Management

Adhering to the people-oriented management policy, the Company has established and improved a democratic management system, set up a trade union and a staff congress, to effectively protect employees' rights to information, participation, expression and supervision. The Company, by promoting the institutionalization, standardization, and proceduralization of democratic management, continuously fosters the democratization of decision-making and harmonious and stable labor relations.

The Company is committed to facilitating channels for employees' democratic management, democratic supervision, and democratic participation, ensuring that employee voices are fully heard and respected. The Company has established a Labor Dispute Mediation Committee composed of employee representatives, company representatives, and trade union representatives, which promptly responds to employees' appeals and addresses labor disputes in a timely manner.

The Company has created diversified employee communication platforms by developing anonymous feedback software, regularly distributing questionnaires, and organizing employee forums and staff congresses, thus extensively collecting employees' rational suggestions. To gain an in-depth understanding of employees' genuine thoughts and needs, the Company conducts regular employee satisfaction surveys and systematically analyzes the survey results, thereby adjusting and optimizing employee management strategies to continuously enhance their sense of belonging and identification.



Quality First: Empowering Quality Enhancement

The Company regards quality as its lifeline and the foundation for winning market trust and achieving sustainable development. The Company adheres to the strategic orientation of "Quality First", integrating the pursuit of high quality into every aspect of R&D, production, service, and cooperation. Through systematic quality management systems and continuous innovation initiatives, it drives comprehensive improvements in product, service, and operational quality, creating long-term value for stakeholders.

R&D and Innovation Management

> Governance

The Company has established and improved various R&D innovation management systems, processes, and operational mechanisms for its organizational structure. Drawing on the principles of modern corporate governance and advanced management concepts, it has refined regulations covering technology introduction, scientific research and development, technical preparation, and technology management, including the Management System for New Products and New Technology Development, the Management Measures for Scientific R&D Project Planning, the Management Measures for Scientific and Technological Innovation, the Management Measures for Supporting External Technical Cooperation, the Intellectual Property Management System, the Management Measures for Patent Applications, and the Performance Assessment and Incentive Measures for R&D Personnel. For each specific task, detailed work processes have been developed, forming a systematized and standardized management framework to provide solid support for the high-quality and efficient execution of technological innovation initiatives.

The Company has designated the Technology Center as the centralized department for R&D and innovation management, which oversees the enterprise's technology management and R&D activities. Meanwhile, the Technology Center serves as a platform for the Company's technical collaboration and knowledge exchange, undertaking the cultivation of high-caliber R&D professionals while facilitating the introduction of internationally advanced production and process technologies.

> Strategy

Building R&D Platforms

The Company aims to achieve "leading position in China and first-class status internationally". It has accelerated the improvement of its innovative product development platform and built a comprehensive platform integrating the R&D of core industrial technologies and the transformation of scientific and technological achievements. This has rapidly enhanced its capacity for scientific and technological innovation and development, and continuously advanced the development of a world-class "specialized, sophisticated, distinctive, and innovative" demonstration enterprise.



Building a Talent Team

The Company thoroughly implements the corporate culture of "Responsibility, Innovation, and Dedication" and adheres to people-oriented principles, valuing knowledge, labor, and talent. It has established a full-chain mechanism covering the recruitment, introduction, cultivation, utilization, evaluation, and incentives of scientific and technological talent, and implemented a dual-channel promotion system for management and technical professionals. The Company has cultivated a substantial number of core technical personnel specializing in wire and cable processes. This effort has resulted in a skilled workforce primarily composed of technicians and has successfully attracted numerous high-tech talent and technical specialists to join its R&D team. In 2025, the Company successfully obtained approval for a National Post-doctoral Programme, and its innovation team was awarded the "Hunan Province Science and Technology Innovation and Entrepreneurship Team of the Furong Program".



Incentives for R&D and Innovation

In a bid to boost employee motivation for R&D and innovation, the Company revised its Research and Development Rewards Policy. The updated policy extends the profit-sharing period for commercialized new products and enhances incentives for scientific and technological achievements, thereby establishing a multi-tiered incentive mechanism. The reward system encompasses a wide range of areas, including product development, intellectual property, professional papers, product certification, new product innovation, QC initiative outcomes, standard setting, and scientific research projects. Each year, the Company holds a technology conference to promote and emphasize the importance of technological innovation, effectively mobilizing employees' motivation.

Promoting Knowledge Sharing

The Company launched an internal journal, Valin Technology News, published quarterly, with a total of four issues released during the Reporting Period. The journal features technical and management papers contributed by employees, cutting-edge industry news, supply and sales insights, and includes sections such as Theoretical Discussion, Technical Debates, and Cultural Essays. It has become a cultural platform, an innovation hub, and an academic salon for the Company, effectively enhancing researchers' sense of belonging and academic accomplishment.

Promoting the Commercialization of Achievements

The Company actively strengthens the deployment of cutting-edge technologies, continuously drives industrial upgrading, steadily enhances economic efficiency, and focuses on building leadership capabilities in three niche markets: aerospace and integrated equipment, special rubber-sheathed cables, and special control cables. In 2025, the high-flexibility wear-resistant cable for mining applications, independently developed by the Company, was included in the "National Manufacturing Single Champion Products List".



Deepening Industry-University-Research Collaboration

The Company encourages and supports extensive industry-university-research collaboration. Based on alignment with the Company's overall development strategy, it prioritizes key areas, concentrates resources, and selects domestic and international research institutions and enterprises with strong complementary advantages to conduct in-depth collaboration, promoting the coordinated development of technological innovation and industrial upgrading.

Case

Industry-University-Research Platform Helps Solve "Bottleneck" Problems

The key technology R&D and application project for flexible umbilical cables used in marine engineering involved a product series long monopolized by two foreign companies, Nexans and Dredco. To address this "bottleneck" issue, China Offshore Fugro Geosolutions (ShenZhen) Co., Ltd. put forward the demand for localization. Valin Cable established an R&D team led by the general manager in 2018. Over many years, through the construction of a technological R&D platform and collaboration with universities and research institutes, the team made breakthroughs in the R&D and application of materials such as radiation-crosslinked polyolefin, water-blocking glue, and TPEE. It also overcomes core technical challenges, including fiber fusion, radiation processing, load-bearing and tensile resistance, and watertight and moisture-blocking structure. Since its installation and operation offshore in November 2023, the cable's service life has reached the level of imported products, achieving 100% domestic production and receiving high praise from clients.

> Impact, Risk, and Opportunity Management

Protecting Intellectual Property

The Company strictly abides by the Patent Law of the People's Republic of China, the Copyright Law of the People's Republic of China and other national laws, regulations and standards. It has formulated and continuously improved its intellectual property rights (IPR) management system to ensure the legality and effectiveness of IPR management. Through the formulation of the Intellectual Property Rights Management Measures, the Company has clarified the management policies, norms and requirements for intellectual property protection, forming an IPR management system covering the whole process from pre-research, R&D and production to sales.

While protecting its own IPRs from infringement, the Company actively takes precautions against infringing the IPRs of others. Its system requires that project undertakers conduct patent literature searches before project approval, and file all technical materials upon project completion, so as to ensure that IPR management runs through the entire project life cycle.

In 2025, the Company successfully acquired nine patented achievements from Central South University, which have been transformed and applied internally, effectively promoting technological innovation and industrial upgrading.



R&D Project Organization and Management

The Company has established and improved regulations and management mechanisms covering the entire process of project initiation, implementation, R&D management, and assessment, providing a solid foundation for the smooth execution of R&D projects. Through systematic project organization and management, the Company ensures efficient allocation of R&D resources, controllable project progress, and predictable outcome quality.

Project Initiation

- Based on the defined direction of the innovation system, the Company conducts extensive research on market and user needs, selecting specific projects with significant market potential and urgent user demand as key R&D priorities for the Technology Center.

Project Implementation

- Appointed project leaders form R&D teams, draft project R&D plans, and submit them for review by an expert committee organized by the Technology Department. Upon approval by the committee, the plans are submitted to the director of the Technology Center for final endorsement before execution.

R&D Project Management and Assessment

- In accordance with the project initiation arrangements of the Technology Center, ongoing projects undergo quarterly reviews and annual evaluations. These evaluations examine progress, quality, and the fulfillment of innovation indicators, determining whether projects should continue based on the results.
- Projects that successfully achieve their objectives and meet innovation indicators receive reward recommendations for the R&D teams in accordance with the Implementation Measures for Science and Technology Project Management.
- For projects that fail to complete R&D tasks, a phased evaluation is conducted to identify problems, propose directions for improvement, or recommend project termination, which is then submitted to the Technology Committee for review and approval.

> Indicators and Targets

In 2025, the Company participated in the formulation of one national standard, one industrial standard and seven group standards, taking the lead in drafting two of the group standards. The annual R&D investment reached RMB 144 million.



Product Quality and Services

> Governance

The Company continues to deepen its quality control system, strengthening end-to-end quality safeguards and continuously improving the effectiveness of quality governance.

In terms of organizational structure, the Company has established a Quality Management Department to lead overall quality efforts, with dedicated personnel implementing frontline quality control. Through collaboration with R&D, production, sales and other departments, the Company has clarified responsibilities across all links including product and service quality management, quality assurance and improvement, product withdrawal and recall, and after-sales service, forming a highly coordinated quality control mechanism with clear powers and responsibilities.

In terms of institutional development, the Company strictly adheres to standards such as GJB9001C-2017 and IATF16949 to build a quality management system. Core policies such as the Quality Management Measures, the Quality and Safety Management System, the Nonconforming Product Control Procedures, and the Product and Service Control Procedures have been formulated, integrating quality standards throughout the entire process of technical R&D, production, and quality inspection, providing robust institutional support for quality compliance and continuous improvement.

In 2025, the Company obtained new certifications for its measurement management system and after-sales service. The CNAS (China National Accreditation Service for Conformity Assessment) accreditation scope of the Testing Center was successfully expanded by two items, simultaneously upgrading both testing capabilities and service quality. Additionally, two expanded products under the weapons and equipment qualification smoothly passed on-site inspections. The Company continues to strengthen the quality of system operations, ensuring product stability and market competitiveness through comprehensive certification and standardized management.

> Strategy

The Company regards product quality management as its core competitiveness and the cornerstone of corporate development. Adhering to the "Client Satisfaction, Eternal Quality" quality policy, it comprehensively implements performance excellence management, forming a quality management model "centered on clients, driven by innovation, and focused on quality".

In 2025, the Company established a quality management system covering the entire product life cycle, integrating safety and compliance requirements into the whole process of R&D and design, supply chain management, manufacturing and after-sales service, achieving remarkable results.

 New Product Introduction	<ul style="list-style-type: none"> Focusing on technological innovation across multiple fields, the Company has launched a number of newly certified products, including underground cables for airport navigation light circuits and photovoltaic twin-core cables. These products have obtained international certifications such as TÜV Rheinland and IEC, as well as MA coal mine safety certification, further expanding the portfolio of compliant products.
 Production Process	<ul style="list-style-type: none"> During production, the Company strictly controls the supply chain, clearly designates registered suppliers for raw materials such as conductors and insulation, implements standardized production procedures, and enforces specialized quality control measures for products used in special scenarios like coal mines and ships.
 Quality Inspection	<ul style="list-style-type: none"> The Company has established a comprehensive testing mechanism, with the Testing Center expanding two CNAS-accredited items, maintaining internationally recognized professional testing capabilities; The Company has added measurement management system certification and after-sales service certification, comprehensively upgrading measurement accuracy and client service quality, steadily improving the compliance and reliability of multiple product categories.
 Cultural Development	<ul style="list-style-type: none"> The Company strengthens quality awareness among all employees and integrates quality principles into all aspects of production and operations. Through comprehensive process control and the improvement of certification systems, the Company's product compliance and market competitiveness have significantly increased, providing clients with innovative and reliable solutions, achieving dual enhancement in both quality and efficiency.

> Impact, Risk, and Opportunity Management

The Company focuses on core quality risk points such as conductor materials, insulation performance, and production processes, establishing a routine inspection mechanism for products and services. The Quality and Safety Team employs a combination of routine inspections and specialized audits to strengthen quality control throughout the entire process, promptly identifying and rectifying potential hazards, continuously optimizing process standards, and strictly controlling non-conforming products to effectively mitigate quality and safety risks, thus ensuring product safety and reliability.

> Indicators and Targets

In 2025, the Company continued to strengthen its quality management system and comprehensively upgrade its quality control capabilities. Throughout the year, zero major quality incidents were recorded, and the product pass rate in random inspections reached 100%.



Case Robust Operation of the GJB9001C-2017 System

The Company successfully passed the annual surveillance audit for the GJB9001C-2017 standard. Following an organizational restructuring, system documents were revised accordingly. Five corrective actions were verified as effective, and all seven minor non-conformities identified during the audit were resolved. Revenue from military products achieved a substantial YoY growth, client satisfaction reached 99.51%, and the system's self-improvement mechanism functioned effectively.

Case Systematic Implementation of Quality Training

The Quality Management Department conducted two specialized training sessions on the GB/T19001 series standards from May to July, covering management personnel across various departments. Through case studies and hands-on exercises, key clauses such as contract review and production control were explained, achieving deep integration of quality standards with practical work.

Case Quality Month Activities Yield Remarkable Results

In September 2025, the Company launched a campaign themed "Strengthening Control with High Standards, Winning the Market with Zero Complaints", with full participation from production divisions. A total of 156 quality improvement suggestions were collected, 132 of which were implemented. Employee-initiated anomaly reporting rates increased by 40%, while the defect rate in production processes decreased by 8% YoY. This further solidified the entire workforce's quality awareness and strengthened end-to-end control capabilities.

> Client Service

The Company continuously enhances its client service capabilities to ensure prompt response and fulfillment of diverse client needs. Backed by a comprehensive and well-established client service system along with extensive service experience, the Company is committed to delivering meticulously refined service experiences. The Company actively organizes regular and diversified client service activities, providing professional guidance on product usage and addressing challenging issues encountered during cable application, while fully safeguarding the legitimate rights and interests of clients.

Business departments within the Company operate with clear divisions of responsibilities, collaborating effectively in areas such as product consultation, promotion, client visits, and technical support. The Company places high importance on the training of after-sales service personnel, enhancing employees' professional skills and service quality through a comprehensive training system. The training covers product knowledge, service techniques, procedural standards, and relevant regulations, combining theoretical instruction with hands-on practice to improve after-sales efficiency and client satisfaction.

To continuously optimize client service, the Company has established the User Quality Information Management System and conducts regular client satisfaction surveys. These surveys target key clients and distributors to ensure comprehensive and representative data collection. After each survey, the Company systematically analyzes the results, generates improvement recommendations based on the findings, and drives continuous enhancement of service quality.



Supply Chain Management

› Governance

The Company places high importance on supply chain management, continuously advancing sustainable procurement practices. It has established internal policies such as the Supplier Management Measures, the Key Supplier Management Measures, and the Procurement Management System for Production Materials to ensure that supplier selection processes are standardized and well-documented. During the supplier evaluation and selection process, the Company comprehensively considers multiple dimensions, including quality, price, delivery time, and service, to ensure that selected suppliers not only meet current business needs but also possess potential for long-term collaboration.

At the organizational development level, the Company strengthens the supply chain management structure, clearly defining functional responsibilities at each tier to achieve more efficient collaboration and refined management, thereby providing organizational safeguards for the stable operation of the supply chain.

Decision-making Layer	<ul style="list-style-type: none"> Supply chain management is overseen by the Company's deputy general manager, who coordinates management direction and strategies, and convenes regular meetings. Regular exchanges are conducted with key suppliers.
Execution Level	<ul style="list-style-type: none"> It is composed of teams for strategic operation, procurement, quality, technology, environmental safety, and risk control. This level is responsible for jointly establishing, reviewing, and implementing supplier management regulations. It also conducts supplier evaluations, monitors supply chain anomalies, and addresses business complaints related to suppliers.

Leveraging the development of a supply chain information platform, the Company deeply integrates full lifecycle supplier management with digital technology, implementing refined process control over key stages such as supplier onboarding and classification. Simultaneously, the Company fully harnesses internal synergies, driving close coordination across all segments of the supply chain to ensure suppliers consistently meet the Company's stringent standards and requirements throughout the entire collaboration process.

Full Lifecycle Supplier Management	
Selection	<ul style="list-style-type: none"> The Procurement Department conducts preliminary surveys of suppliers by completing the Supplier Quality Assurance Capability Survey Form, which covers aspects such as the supplier's service scope, product certifications, product execution standards, corporate qualifications, and product quality levels. Samples provided by suppliers are inspected by the Company's Technology and Quality Department for appearance, performance indicators, and other quality aspects before being approved for use.
Review	<ul style="list-style-type: none"> The Procurement Department selects suppliers for further evaluation to perform sample testing. Products provided by suppliers must be approved by the Production Department, the Technology Department, production divisions, and Company management before being included in the Qualified Suppliers List. Based on the impact of purchased materials on product quality, materials are classified into two categories: important and general.
Assessment	<ul style="list-style-type: none"> Supplier risk levels are evaluated across five dimensions: policy risk, market risk, natural/accidental risk, and quality risk.
Classification	<ul style="list-style-type: none"> Suppliers are uniformly graded, and cooperation decisions for the following year are made based on their ratings.

› Strategy

Supplier ESG Management

While prioritizing product quality and supply capability, the Company places increasing emphasis on suppliers' environmental performance and social responsibility fulfillment, continuously strengthening the effectiveness of ESG management across the supply chain. The Company issues the Declaration to Relevant Parties on Non-Use of Environmentally Hazardous Substances to suppliers and signs the Environmental Protection and Safety Agreement with Relevant Parties with them. Furthermore, through the Key Supplier Management Measures, the Company focuses on evaluating suppliers' qualifications and system certifications in environmental and social aspects, including but not limited to international standard certifications such as Quality Management System Certification, Environmental Management System Certification, and Occupational Health and Safety Management System Certification, ensuring that cooperative suppliers possess strong quality awareness, environmental consciousness, and human rights awareness, jointly promoting the green transformation of the supply chain.

Green Procurement

The Company has established and continuously improved a green supply chain management system, which has obtained green supply chain management system certification. In accordance with the Procurement Management System for Production Materials, when procuring materials, the Company not only meets the corresponding technical standards, but also requires compliance with green manufacturing requirements, ensuring that the materials are free from heavy metals, non-toxic, pollution-free, and recyclable. Additionally, to align with forestry administration regulations, the Company has implemented a comprehensive traceability system for wooden pallet procurement, exercising strict control over the source. By obtaining phytosanitary certificates through government platforms and maintaining a strict "one-in, one-out" correspondence, the entire procurement process remains compliant and controllable.

Enhancing Supply Chain Resilience

In terms of supply chain sourcing, the Company proactively expands the pool of high-quality potential suppliers and collaborates with relevant departments to continuously broaden supply channels, effectively mitigating supply risks. The Company has developed supplier evaluation criteria tailored to its actual needs, covering dimensions such as product quality, delivery capability, pricing, and after-sales service. Potential suppliers undergo comprehensive assessment to select the most suitable partners.

In terms of inventory management, the Company implements real-time monitoring and dynamic adjustments to ensure inventory levels are consistently maintained at their optimal state. By optimizing procurement plans, sales strategies, and logistics distribution, it continuously enhances inventory turnover speed and reduces inventory costs, thereby strengthening supply chain operational efficiency and resilience.

Transparent Procurement

The Company places high importance on integrity in the supply chain and standardized full-process management of bidding and tender activities, implementing multiple measures to strengthen integrity safeguards in procurement. Specific initiatives are as follows:

Strengthening Source Control in the Supply Chain	<ul style="list-style-type: none"> The Company attaches great importance to integrity management in the supply chain. It requires suppliers to sign the Supplier Integrity Commitment, clarifying integrity responsibilities in the form of a contract, so as to ensure that procurement activities are open, fair and honest, and to prevent and curb violations of laws and disciplines at the source.
Improving Full-Process Supervision of Bidding and Tender Activities	<ul style="list-style-type: none"> The Company systematically identifies risk points at each stage of bidding and tender processes, defining three core supervision dimensions: pre-bid conditions, in-bid process supervision, and post-bid follow-up supervision, thereby implementing end-to-end oversight.
Refining Daily Supervision Measures	<ul style="list-style-type: none"> Weekly specialized supervision of bidding and tender activities is conducted, focusing on compliance of the approval process, sealing status of bid documents, qualifications of evaluation panel members, and implementation of recusal systems. To date, no relevant issues or clues have been identified. A monthly ledger summary mechanism has been established to comprehensively compile key information such as bidding amounts, evaluation panel members, tender details, and winning suppliers, ensuring traceability and verifiability of bidding data.

Strategic Supplier Management

The Company values communication with suppliers and is committed to building harmonious and stable strategic partnerships. In 2025, the Company organized a Supplier Conference to communicate the strategic goal of “Strengthening Quality Foundation Year” to its partners. The conference recognized 10 strategic suppliers and 27 outstanding suppliers, reaching mutual cooperation intentions with each supplier to jointly achieve win-win development.

➤ Impact, Risk, and Opportunity Management

To enhance supply chain stability, effectively mitigate potential risks related to supplier quality, cost, delivery timelines, technology, and service, and strengthen the Company’s core competitiveness, the Supplier Risk Management System has been established. This system clarifies the responsibilities of the Procurement Department, covering the entire process from supplier performance evaluation, risk factor collection and analysis, to the formulation and follow-up of risk mitigation measures. This comprehensive risk management mechanism facilitates the early identification and mitigation of potential risks posed by suppliers, thereby safeguarding supply chain stability and ensuring normal business operations.

 Risk Identification	<ul style="list-style-type: none"> ● Factors such as material verification, quality assurance capability, pricing, delivery timelines, service quality, survey results, qualifications, and credibility are taken into consideration.
 Risk Response	<ul style="list-style-type: none"> ● Corresponding measures are implemented based on risk warning signals to minimize potential losses and ensure uninterrupted business operations.
 Traceability and Analysis	<ul style="list-style-type: none"> ● A risk case database has been established to store all risk management-related materials for traceability and analysis purposes.

➤ Indicators and Targets

In 2025, the Company achieved remarkable results in supply chain management: zero supply chain risk incidents occurred throughout the year; five special ESG training sessions for suppliers were organized; 234 suppliers obtained sustainability certifications; and the signing rate of Integrity Agreement with long-term cooperative and qualified suppliers reached 100%

The statistics cover suppliers within the supply chain system under the centralized management of the Company’s Procurement Department.



Case Valin Cable Hosts Supplier Conference with the Theme “Innovation-Driven, Digital Empowerment – Jointly Building a Green, Safe, and Sustainable Supply Chain”

In 2025, Valin Cable held its annual Supplier Conference to strengthen communication with suppliers, discuss industry trends, share successful experiences, deepen collaborative relationships, and jointly address market changes to promote sustained growth for both parties.

During the conference, the Company presented awards to 27 suppliers recognized as “Outstanding Suppliers of 2024”, enhancing their sense of honor and belonging. Additionally, Valin Cable signed annual strategic cooperation agreements for 2025 with 10 strategic suppliers, laying a solid foundation for in-depth collaboration in the future.



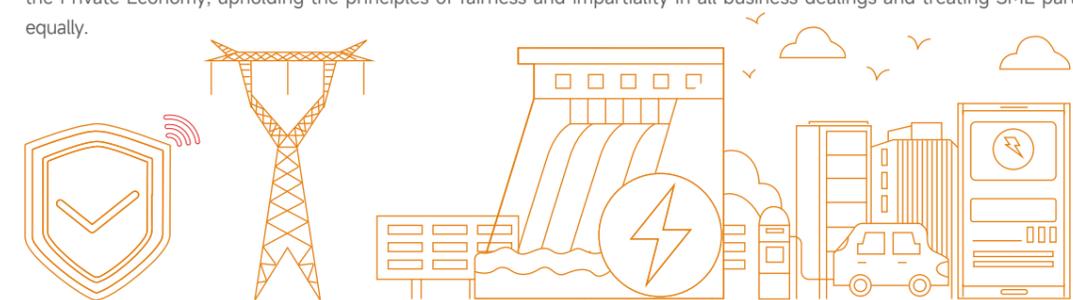
Supplier Conference Scene



Signing Ceremony of Strategic Cooperation Agreements

➤ Equal Treatment of SMEs

The Company strictly adheres to national laws and regulations such as the Criminal Law of the People’s Republic of China, the Anti-Unfair Competition Law of the People’s Republic of China, the Anti-Money Laundering Law of the People’s Republic of China, the Anti-Monopoly Law of the People’s Republic of China, the Law of the People’s Republic of China on the Promotion of Small and Medium-sized Enterprises, and the Regulations on Guaranteeing Payments to Small and Medium-sized Enterprises (Draft Revision for Public Comments), among others. It also implements the spirit of relevant policies including the Guidelines of the Central Committee of the Communist Party of China and the State Council on Promoting the Development and Growth of the Private Economy, upholding the principles of fairness and impartiality in all business dealings and treating SME partners equally.



Digital Transformation

» Advancing Digital-Intelligent Transformation

To accelerate digital transformation and enhance overall operational efficiency and modernization, the Company has established a “1+5+6” digital-intelligent management framework. This structure centers on a unified digital-intelligent platform, empowers five core capabilities, and leverages six functional centers to enable cross-level and cross-business collaboration. Through precise configuration and functional integration of core components across modules, this framework drives the Company’s operational management toward digitalization, intelligence, and systematization.

Unified Digital-Intelligent Platform	
Physical Equipment Layer	<ul style="list-style-type: none"> Core components are sensors and production equipment, with the functional positioning of collecting real-time field data.
IT Infrastructure Layer	<ul style="list-style-type: none"> Core components are servers, switches, and firewalls, with the functional positioning of providing hardware and network support.
Technology Layer	<ul style="list-style-type: none"> Core components are container cloud, microservice governance, and IoT platform, with the functional positioning of supporting system elastic scaling.
Business Data Layer	<ul style="list-style-type: none"> Core components are Financial Middle Platform, Supply Chain Middle Platform, Manufacturing Middle Platform, Procurement Middle Platform, and Marketing Middle Platform, with their functional positioning being business operation and data accumulation.
Intelligent Application Layer	<ul style="list-style-type: none"> Core components are digital-intelligent contracts and intelligent platforms, with the functional positioning of enhancing business intelligence.
Decision-making Layer	<ul style="list-style-type: none"> Core components are master data management and intelligent analysis, with the functional positioning being data-driven decision-making.

Five Core Capabilities Enhancement	
Enhancing Market Operation Capabilities	<ul style="list-style-type: none"> Implements end-to-end digital management from lead to cash (LTC), improving client response speed and personalized service capabilities.
Improving Rapid Response Capability in Client Service	<ul style="list-style-type: none"> Strengthens production-supply-sales coordination, shortens order delivery cycles, and reduces inventory backlog and material shortage risks.
Enhancing Data Management Capability	<ul style="list-style-type: none"> Adopts cloud-native and microservices architecture to build a highly available, scalable, and sustainable iterative technology platform supporting the next decade of development.
Enhancing Financial Service and Risk Control Capability	<ul style="list-style-type: none"> Promotes deep integration of business and finance, enables transparent cost accounting and risk early warning, and enhances internal control and compliance management.
Enhancing Digital-Intelligent Analysis and Decision-Making Capability	<ul style="list-style-type: none"> Establishes a management cockpit for trend analysis and intelligent forecasting based on real-time data, supporting scientific decision-making at the executive level.

Six Functional Centers	
Finance and Strategic Investment Center	<ul style="list-style-type: none"> Core functions are group finance and investment evaluation, with system support provided by the group’s ERP, comprehensive budgeting, and capital management systems.
Supply Chain Center	<ul style="list-style-type: none"> Core functions are production-sales coordination and procurement cost reduction, with ERP supply chain and SRM as system support.
Marketing Center	<ul style="list-style-type: none"> Core functions are client management and credit sales control, with CRM and credit management modules as system support.
Data Service Center	<ul style="list-style-type: none"> Core functions are data governance, analytical reporting, with system support from data middle platforms and BI tools.
Risk Control Center	<ul style="list-style-type: none"> Core functions are risk early warning and compliance management, with the risk control system providing system support.
Production Center	<ul style="list-style-type: none"> Core functions are intelligent production scheduling, process monitoring. System support: integrated ERP production, MES, CAPP, TMS, and WMS.

In addition, the Company has focused on upgrading core systems such as ERP, MOM and CAPP, and promoted organizational flattening, refined management, agile operation, mobile application, intelligent decision-making, digital operation and data assetization, so as to comprehensively improve its operation and management capacity. The Company is committed to building first-class intelligent special cable workshops, leveraging industrial internet and 5G technology to achieve comprehensive interconnection between production equipment and energy management systems. By establishing a data and monitoring center to realize full AGV material distribution, it significantly enhances production organization efficiency and reduces labor costs, driving the effective implementation of lean production.

Case Valin Cable Unmanned Forklift Project

The Valin Cable Unmanned Forklift Project is a key initiative by the enterprise in response to the national automation call, aimed at building a smart factory. It is jointly promoted by Valin Cable and NavaSmart in 2025. The project focuses on enhancing production efficiency, reducing costs, and strengthening safety management. It involves deploying multiple 2-ton unmanned counterbalance forklifts to achieve 24/7 normalized operations both indoors and outdoors.

The operation routes cover the automated warehouse and temporary storage areas of each branch factory, with a daily delivery of approximately 100 pallets. Each pallet has a load capacity of ≤ 1,500 kg, and distribution requests are initiated via PDA. The system integrates with the warehouse management system and NavaSmart’s “Tianji” and “Tianshu” platforms to enable automated material inbound/outbound processes and traceable distribution status. Multi-radar perception devices ensure operational safety, supporting the enterprise’s transition to unmanned production logistics.

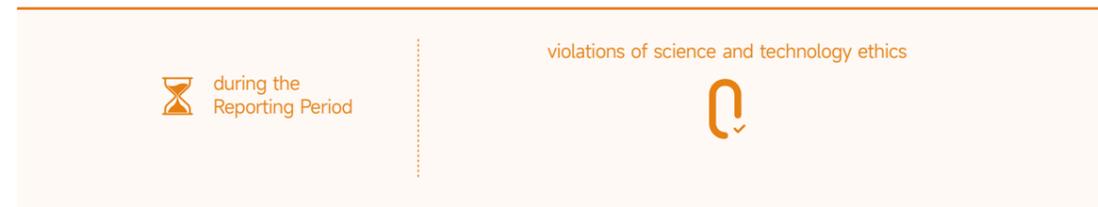


» Adhering to Technological Ethics

The Company actively responds to regulatory initiatives in the fields of data ethics and artificial intelligence (AI), continuously strengthening the construction of its internal AI governance framework. In line with the characteristics of the cable industry, the Company has formulated and improved policies such as the Opinions on Strengthening the Governance of Scientific and Technological Ethics and the Measures for the Review of Scientific and Technological Ethics to ensure the compliant application of AI technology in all aspects of production and operations, while strictly prohibiting the development or use of technologies that may harm the natural environment, life and health, public safety, or violate ethical principles. By establishing multiple institutional documents, the Company has standardized the workflow related to scientific and technological ethics and continuously enhanced employees' awareness of scientific and technological ethics.

At the organizational level, the Company has established a sound AI and technology ethics management system, forming a Technology Ethics Management Team led by senior executives, with clearly defined personnel composition, scope of authority, and work responsibilities. The team is responsible for coordinating and advancing the Company's technology ethics governance, overseeing the ethical compliance in AI technology applications, addressing technology ethics-related issues, and ensuring that the Company's technological innovation activities always adhere to ethical requirements.

No violations of science and technology ethics occurred during the Reporting Period. The Company has established a sound technological ethics risk prevention and control mechanism, conducting regular internal inspections to promptly identify and eliminate potential risks, ensuring that technological innovation activities are lawful, compliant, and sustainable.



» Data Security and Client Privacy Protection

In accordance with national laws and regulations such as the Cybersecurity Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, and the Data Security Law of the People's Republic of China, the Company has refined its Information System Security Management Rules and Regulations based on the actual conditions of its cable manufacturing operations, clearly defining the division of responsibilities among various departments in the field of data security supervision, systematically enhancing the security defense capabilities and management efficiency of the network and information systems, ensuring the high-standard implementation of the Company's information security work.

To strengthen and standardize the management of employees and related visitors, ensure internal security and confidentiality, and safeguard personal and property safety as well as office order, the Company continuously optimizes the Third-Party Personnel Information Security Management system. By conducting regular security status checks, deploying firewalls, intrusion detection systems, and other technical measures, the Company comprehensively implements data security management responsibilities. During the Reporting Period, the Company obtained the 3A (AAA-level) certification for the integration of informatization and industrialization.

In 2025, the Company continued to increase the coverage rate of privacy protection training, reaching over 90%. The Company maintained zero occurrences of information security breaches or client privacy leaks throughout the year, demonstrating remarkable achievements in data security and client privacy protection.



Fulfilling Missions: Undertaking Social Responsibility

The Company has always embedded social responsibility into its developmental DNA, guided by the core principle of "co-creating value and sharing achievements". It has systematically planned and continuously deepened its involvement in public welfare, rural revitalization, and the Belt and Road Initiative. Adhering to strategic leadership to drive responsible practices, the Company integrates its growth into the broader context of national development. Through pragmatic actions that meet societal expectations, it demonstrates the commitment and compassion of a modern enterprise in serving people's livelihoods and fostering mutual success.

Engaging in social welfare initiatives

The Company focuses on building a public welfare ecosystem by organizing diverse activities such as beach clean-up initiatives, environmental greening around the factory premises, voluntary blood donation, and visits to children in welfare institutions. These efforts ensure that the fruits of development benefit a wider community, reflecting the Company's contemporary value in fulfilling its mission.

Support for Persons with Disabilities	The Company remains steadfast in its commitment to providing comprehensive and practical assistance and support for persons with disabilities. Through regular care initiatives that offer material aid, the Company actively helps individuals with disabilities overcome practical challenges in their daily lives. The Company also offers appropriate job opportunities for those with disabilities, enabling them to feel social equality and respect. These aid initiatives not only offer substantial support to those people but also convey the warmth and acceptance of society, assisting them in building confidence and better integrating into the community.
Conducting Flood Prevention Inspections	During the Reporting Period, in response to the flood situation in the Xiangjiang River, the Company promptly acted upon the requirements of the flood prevention command. It quickly organized security team members and employees from branch factories to conduct flood prevention inspection and duty work on the embankment. Over a period of six days, the work was carried out in two shifts, ensuring 24-hour uninterrupted inspections. A total of over 60 persons participated in rotating shifts, successfully completing the task and making a positive contribution to ensuring the safety of the embankment.
Public Welfare and Volunteer Activities	The Company actively engages in various public welfare and volunteer activities, such as caring for disadvantaged youth, blood donation, and beach clean-up initiatives. The philosophy of "starting with small acts of care, spreading love, and warming hearts" is embedded in every action.
Supporting Disadvantaged Youth	Through donating essential school supplies, providing personalized psychological counseling, and offering growth guidance, the Company has illuminated the path of knowledge for these young individuals, delivering not only material assistance but also conveying society's profound care and warmth.
Voluntary Blood Donation	The Company regularly organizes employees to participate in voluntary blood donation activities, fulfilling the solemn commitment to "safeguarding the lives and health of the people" through concrete actions. This reflects the spirit of Valin Cable employees in enthusiastically contributing to public welfare and serving society.

Case Organizing a Beach Clean-Up Themed Group Day Activity

On May 12, 2025, the Valin Cable Administrative Youth League Branch and Sales Youth League Branch, in collaboration with a volunteer association in Xiangtan City, organized a "River Guardian · Beach Clean-Up" themed group day activity along the riverbank in Dongping Town. Through the collective efforts of all participants, over 10 bags of trash were collected, and the previously litter-strewn riverbank regained its pristine and orderly natural appearance. Going forward, the Company will continue to actively participate in such environmental protection activities, starting from ourselves and inspiring those around us, demonstrating the concept of ecological conservation through the concrete actions of state-owned enterprise youth.



Case Organizing a Front-of-Factory Greening Initiative

On March 12, 2025, Valin Cable launched a greening initiative in front of its factory premises. Employees actively participated in the event, planting new saplings, pruning flowers and trees, and cleaning up green areas. Through such concrete actions, the Company beautified its factory environment, enhanced its corporate image, and demonstrated its commitment to and practice of green development.



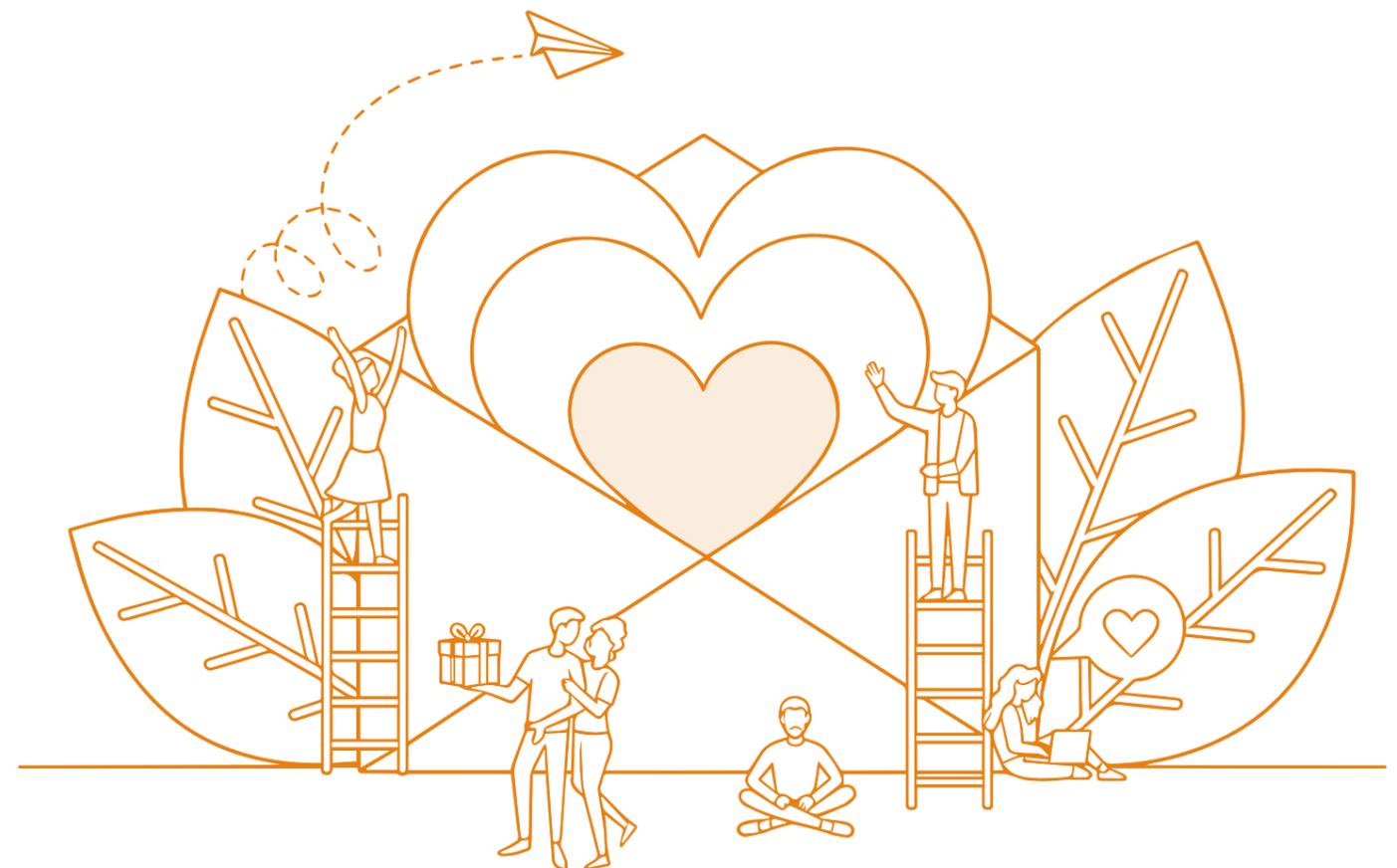
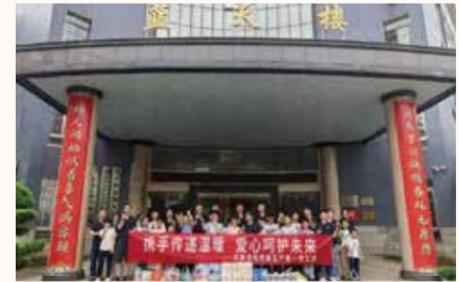
Case Organizing a Blood Donation Activity

On June 19, 2025, the Company actively responded to the call of the Xiangtan High-Tech Industrial Development Zone Management Committee, fulfilling its corporate social responsibility by organizing employees to participate in a voluntary blood donation activity. Over 20 employees proactively signed up and completed the registration, physical examination, and blood collection procedures in an orderly manner under the guidance of blood station staff. The event was filled with warmth and compassion, as participants rolled up their sleeves to donate blood, fulfilling the solemn commitment of "safeguarding the lives and health of the people" through concrete actions. The flow of blood converged into hope for life, showcasing the spirit of Valin Cable employees in enthusiastically contributing to public welfare and serving society.



Case Visiting Children in a Welfare Institution

On May 19, 2025, the Production First Party Branch of the Company organized Party members to visit a social welfare institution, carrying out a caring and compassionate activity. The Party members brought carefully selected picture books, stationery, educational toys, snacks, and other charitable supplies, engaging in warm interactions with the children at the welfare institution. Everyone sat together in a circle, patiently telling stories, teaching drawing, and playing fun games with the children, with laughter and joy echoing in every corner of the activity room. This event brought care and warmth to the children in the welfare institution, enriching their spiritual and cultural lives, and also conveyed the love and responsibility of Valin Cable's employees.



Support for Rural Revitalization

The Company actively explores sustainable pathways for rural revitalization, closely aligning with national policies and actively participating in rural development. By driving increases in farmers' income through consumption-based assistance, the Company promotes the synergistic enhancement of economic, social, and ecological benefits, supports the diversified development of the rural economy and social harmony, and contributes to the comprehensive advancement of rural revitalization.

To further consolidate rural revitalization efforts, the Company's Labor Union initiated targeted consumption-based assistance, uniformly procuring support materials for distribution to all union members. This initiative not only enhanced employees' sense of well-being but also effectively consolidated the poverty alleviation achievements in the assisted villages, playing a positive role in strengthening collective village industries and raising villagers' income levels.

Case

Valin Cable Actively Purchases Agricultural Products from Assisted Regions, Injecting Momentum into Rural Revitalization Through Consumption-based Assistance



Co-building the Belt and Road

Adhering to the "going global" development strategy, the Company actively expands overseas business cooperation, deeply participates in major international exchange activities, and interprets the development philosophy of "extensive consultation, joint contribution, and shared benefits" of the Belt and Road Initiative through pragmatic actions.

Case

Valin Cable's Visit to Vietnam for Exchange, Exploring New Opportunities for Overseas Expansion

November 17-22, 2025, Deputy General Manager Hu Xianghua led a delegation for a business inspection in Vietnam. This trip to Vietnam was not only an in-depth market research but also a pragmatic industrial alignment and ice-breaking cooperation. Through six days of intensive visits and multilateral dialogues, the delegation gained a comprehensive and clear understanding of the development potential and practical challenges in the Vietnamese and the wider ASEAN markets. This inspection marks the Company's critical step forward in expanding international markets, laying a solid foundation for in-depth cooperation between China and Vietnam, and even between China and ASEAN in the field of wires and cables, ushering in a new chapter of regional synergy and win-win development.

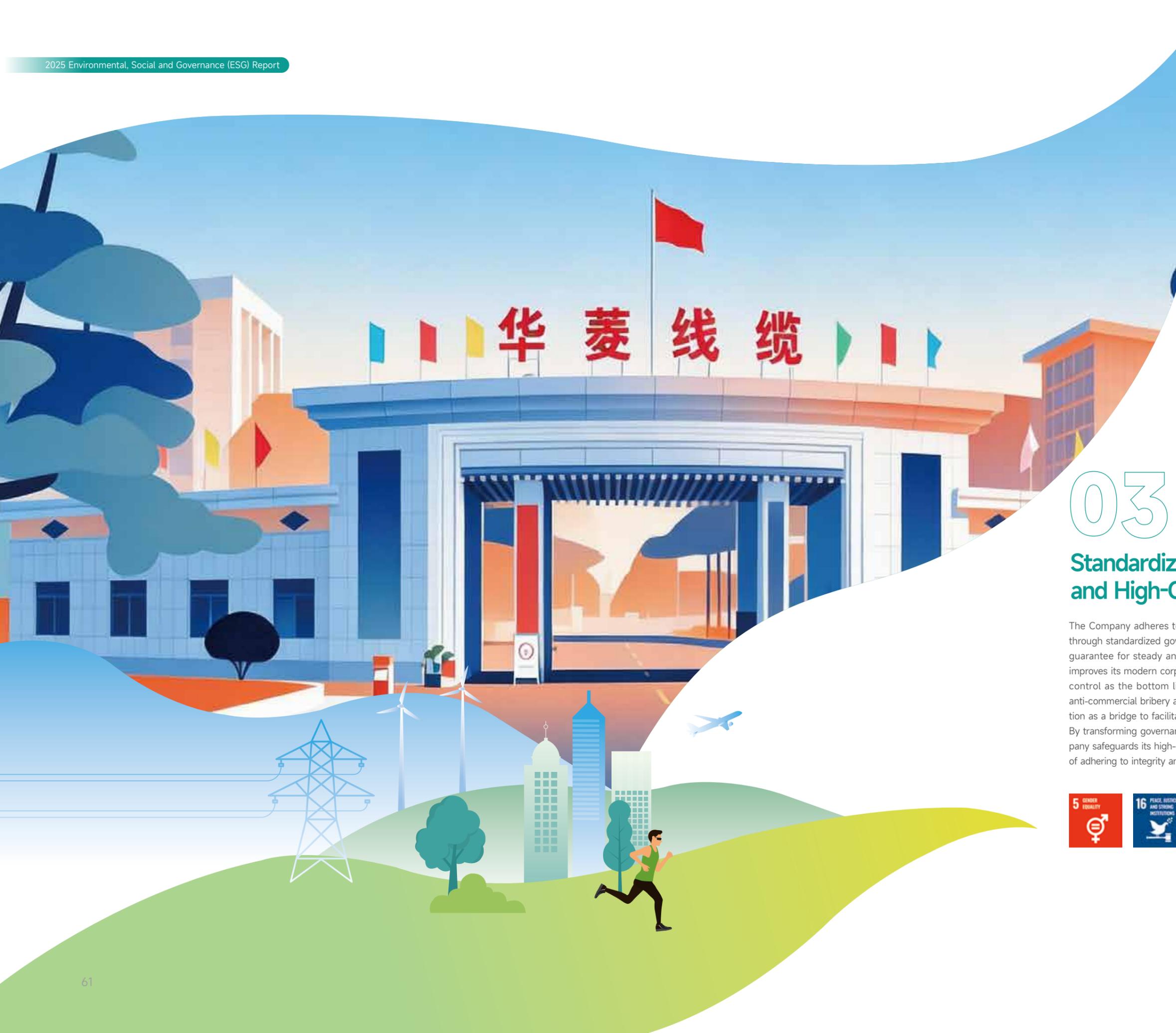


Case

Valin Cable Shines on the International Stage, Partnering with African Counterparts to Explore New Frontiers of Cooperation

June 12-15, 2025—As a leading enterprise in the cable industry, the Company showcased multiple self-developed core products at the 4th China-Africa Economic and Trade Expo. Currently, African countries are in a period of accelerated industrialization, with strong demand for cables in fields such as power, telecommunications, and mining machinery. With superior product quality and extensive overseas project experience, the Company will further expand its business in Africa, promoting "Xiangtan Intelligent Manufacturing" to the world.





03

Standardized Governance for Steady and High-Quality Development

The Company adheres to the leadership of the Party, strengthens its foundation through standardized governance, and regards governance excellence as the core guarantee for steady and sustainable development. The Company continuously improves its modern corporate governance structure, upholds compliance and risk control as the bottom line, and deepens the construction of systems such as anti-commercial bribery and internal control audits; it uses transparent communication as a bridge to facilitate investor relations and information disclosure channels. By transforming governance effectiveness into development momentum, the Company safeguards its high-quality and sustainable development through the practices of adhering to integrity and compliance and strengthening its sense of responsibility.



Steady Progress: Consolidating the Governance Foundation

The Company regards excellent governance as the fundamental guarantee for sustainable and sound development, continuously improves the modern corporate governance structure, strengthens the institutional foundation for steady and long-term progress, and provides a solid institutional basis for addressing complex challenges and achieving strategic objectives.

In recent years, amid deepening reforms in China’s capital market, the Company has proactively adapted to stronger regulations and new requirements, firmly establishing the principle of compliant operations for listed companies. In strict accordance with the Company Law of the People’s Republic of China and its Articles of Association, the Company has built a complete, sound, and reasonable corporate governance structure and internal control system.

The Company actively explores the deep integration of new development concepts in the capital market with all aspects of its operations and management, continuously strengthens standardized operational mechanisms, and refines its internal control management system. This ensures that the shareholders’ meeting, the Board, and various specialized committees perform their respective duties, maintain effective checks and balances, and operate in a coordinated manner. By clarifying the responsibilities, authorities, and codes of conduct for all parties, the Company steadily enhances its governance standards.

Shareholders’ Meeting

The Company recognizes the shareholders’ meeting as the highest authority, strictly adhering to the Articles of Association and the Rules of Procedure for Shareholders’ Meetings. This ensures that the entire process, from convening and conducting meetings to implementing resolutions, is lawful, compliant, and procedurally rigorous. The Company treats all shareholders fairly, effectively safeguarding their rights to information, participation, and inquiry and voting rights.

Shareholder Communication and Opinion Solicitation Mechanism	
Institutionalized Communication Channels	<ul style="list-style-type: none"> The Company has established clear shareholder communication policies and set up a Securities Affairs Department specifically responsible for investor relations management. Serving as the core hub for communication with shareholders (especially minority shareholders), investors, and other market participants, this department fully performs its functions as a “bridge for communication, display window, and information hub”.
Regular Communication and Information Disclosure	<ul style="list-style-type: none"> Through standardized, transparent continuous information disclosure and proactive investor relations management, the Company has established routine communication mechanisms with shareholders. Prior to important meetings such as shareholders’ meetings, the Company actively engages with shareholders (particularly minority shareholders) on relevant agenda items, thoroughly listening to their opinions and perspectives.
Regular Evaluation and Optimization	<ul style="list-style-type: none"> The Company conducts regular reviews and assessments of the implementation effectiveness of its shareholder communication policies, continuously optimizing communication procedures and methods to ensure the smooth operation and efficacy of communication channels. This enables shareholders to stay promptly and comprehensively informed about the Company’s operational and developmental status.



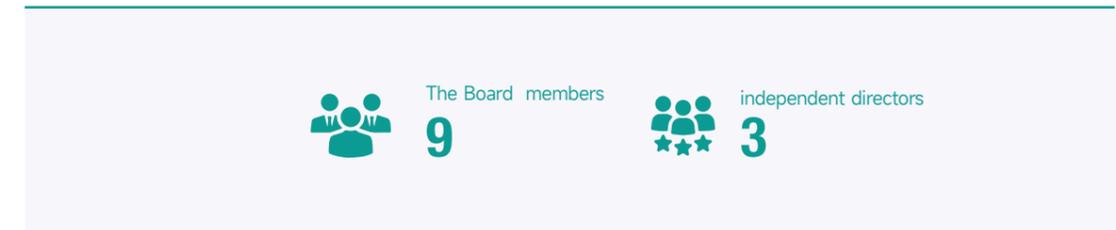
Board of Directors

The Company has established the Articles of Association, the Rules of Procedure for the Board of Directors, the Rules of Procedure for Shareholders’ Meetings, the Special Meeting System for Independent Directors, the Working Rules for Independent Directors, and the rules of procedure for the four major committees, which clearly stipulate the appointment of directors and senior management as well as related matters. The Board has established four specialized committees: the Strategy and ESG Committee, the Audit Committee, the Nomination Committee, and the Compensation and Assessment Committee, which review matters such as corporate strategy, finance, risk control, personnel, performance compensation, and related-party transactions to ensure scientific decision-making by the Board.

The Company has established a robust independent director system. Independent directors strictly adhere to the requirements of the Company Law of the People’s Republic of China, the Administrative Measures for Independent Directors of Listed Companies, and the Several Provisions on Strengthening the Protection of Public Shareholders’ Rights and Interests, among others. They provide independent opinions on significant company matters, offer suggestions and recommendations for operations, and fully exercise their independent role, effectively safeguarding the legitimate rights and interests of all shareholders and the overall interests of the Company.

The Company adheres to the principle of diversity and professionalism among board members. During the nomination process, the Nomination Committee holistically considers factors such as gender, professional background, industry experience, and knowledge structure. Currently, the Board members possess diverse professional backgrounds, with extensive experience in corporate governance, business management, industry technology, and financial management, which helps the Company in making scientifically sound decisions amidst a complex and ever-changing market environment, enhancing the Board’s effectiveness, and ensuring its efficient operation.

The Board consists of nine members, including three independent directors (one of whom is a female director), each being an expert in the fields of investment, technology, and finance.



Senior Executives

Under the leadership of the Board, the senior executives of the Company strictly exercise their authority in accordance with laws and regulations such as the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, and the requirements of the Company’s Articles of Association and other institutional provisions. They diligently fulfill their responsibilities to ensure the effective implementation of the Board’s decisions. In 2025, the Company had a total of five senior executives, including one female senior executive.

The Company, in accordance with its corporate governance policies and strategic plans, has established performance evaluation criteria for management, covering dimensions such as financial performance, strategic execution, risk management, and compliance. Through regular performance evaluation reports and key performance indicators (KPIs), the Company conducts comprehensive assessments of management. This aligns individual interests with the long-term sound development of the enterprise, effectively motivates managers, enhances operational efficiency and quality, and ensures the successful achievement of corporate objectives.



Standardizing the Enterprise: Deepening Compliance and Risk Control

The Company adheres to establishing the enterprise through standardization, and continuously deepens the development of its compliance and risk control system. It strictly upholds the bottom line of business ethics, improves anti-commercial bribery and compliance management mechanisms; refines internal control, internal audit, and risk prevention systems, embedding compliance requirements throughout the entire operational process. Through institutional constraints, cultural influence and closed-loop supervision, the Company has built a solid risk defense line, providing a strong guarantee for the high-quality development of the enterprise.

Commitment to Business Ethics

» Anti-Commercial Bribery

Integrity culture is an essential component of corporate culture, and the Company places high importance on ethical management. The Company continuously carries out integrity education, implements the "double responsibilities for one post" system for the improvement of Party conduct and clean governance, strengthens efficiency supervision, and steadily promotes the development of the punishment and prevention system for corruption. It cultivates employees' awareness of integrity and self-discipline, so as to ensure integrity in practice and strict observance of professional ethics.



The Company strictly complies with the Anti-Unfair Competition Law of the People's Republic of China, the Interim Provisions on Prohibiting Commercial Bribery, and other relevant laws and regulations. It has established institutional documents such as the Anti-Commercial Bribery Management System, and signs the Anti-Commercial Bribery Agreement and the Clean Professional Conduct Commitment with sales personnel, resolutely preventing corrupt practices during bidding, procurement, contract signing, and execution, and continuously standardizing the behavior of sales personnel.

In terms of organizational structure, the Company's general manager office leads the anti-commercial bribery efforts, urging management to establish and improve an internal control system that includes the prevention of commercial bribery.

The Company has established an Anti-Commercial Bribery Task Force (referred to as the "Task Force") to conduct ongoing supervision of the Company's anti-commercial bribery initiatives. The head of the Task Force is the secretary of the Discipline Inspection Commission, and its members include the secretary of the Discipline Inspection Commission, the general manager, and other relevant personnel.

The Company's Discipline Inspection Commission serves as the standing body for anti-commercial bribery work, responsible for the specific implementation tasks, including receiving reports, organizing case investigations, and proposing disciplinary measures.

Heads of each department and branch factory serve as the primary persons responsible for addressing commercial bribery within their respective units and assume management accountability for preventing such misconduct.



<p>Introducing New Measures to Foster Renewed Vitality</p>	<ul style="list-style-type: none"> The Company strictly addresses issues prone to occur during holidays, such as improper dining and entertainment, accepting or giving gifts or cash, using public funds for tourism, drunk driving, and gambling. All employees are required to sign the Responsibility Statement for Party Conduct and Integrity Building and the Pledge Against Drunk Driving to strengthen integrity defenses during festive periods.
<p>Ensuring Integrity and Ethical Operations</p>	<ul style="list-style-type: none"> A market integrity and ethical access system is implemented, with strict supervision and inspection of the signing and execution of the Integrity and Credibility Agreement between all units and suppliers. During the Reporting Period, a total of 274 agreements were signed. Additionally, security posts are arranged to inspect items brought by external personnel, parcels, and situations where employees work under the influence of alcohol. These measures effectively prevent risks such as "gift delivery without direct contact" and drunk driving.

During the Reporting Period, the Company organized sales personnel to sign the Clean Professional Conduct Commitment and entered into Integrity Agreement with all suppliers. Meanwhile, the Company conducts integrity training for employees to ensure they deeply understand relevant laws, regulations, and internal policies regarding anti-commercial bribery. This helps employees clearly identify the boundaries between lawful compliance and illegal activities, as well as between ethical integrity and unethical behavior.



During the Reporting Period



sales personnel to sign the Clean Professional Conduct Commitment



entered into Integrity Agreement with all suppliers

» Anti-Unfair Competition

The Company strictly adheres to relevant laws and regulations such as the Anti-Unfair Competition Law of the People's Republic of China, and has established systems including the Regulations on Standardizing Client Resource Management and the Internal Sales Management Measures. In the marketing process, the Company resolutely opposes any form of fraud and malicious competition, and is committed to creating a fair, transparent, and orderly market environment.

Case

Valin Cable Organizes Integrity Warning Education

Valin Cable regularly organizes Party members and cadres to watch integrity warning education videos and shares multiple articles related to integrity culture development on its official WeChat account. Through regular education and learning, the political awareness, overall perspective, and integrity consciousness of Party members and cadres have significantly improved, building a strong ideological defense against corruption.



Case Valin Cable's Mobilization Meeting for Studying the Spirit of the Eight-Point Decision

In line with the thematic education on deeply implementing the spirit of the Eight-Point Decision, the Company organized studies on new regulations for official dining and business receptions, the Eight-Point Decision, warnings against drunk driving, and the crackdown on improper banquets, among other topics. During the Reporting Period, the Company held 10 comprehensive study sessions to ensure disciplinary requirements were deeply ingrained in the minds of employees.



Case Valin Cable Clarifies Discipline Requirements for Holidays such as Qingming Festival

Before holidays such as the Spring Festival, Mid-Autumn Festival, and National Day, the Company conducts collective talks and integrity reminders to proactively set a "high-voltage line", strengthening the ideological defense against corruption among Party members and cadres, especially those in key positions.



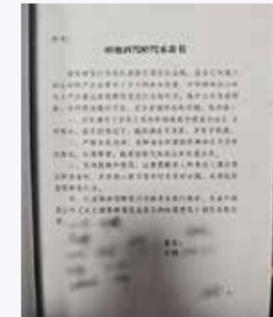
Case Valin Cable's Promotion Meeting on Cracking Down on Improper Banquets

In accordance with group document requirements, the Company held a special promotion meeting to crack down on improper banquets. A dedicated task force was formed to conduct comprehensive self-inspections, and issues identified were rectified to ensure the effectiveness of the special campaign.



Case All Employees Sign the Pledge Against Drunk Driving

The Company strictly addresses issues such as improper banquets, accepting gifts or money, misuse of public funds for tourism, drunk driving, and gambling, which are prone to occur during holidays. All employees signed the Responsibility Statement for Party Conduct and Integrity Building and the Pledge Against Drunk Driving to reinforce integrity accountability.



Case Company Employees Sign Integrity Agreements

The Company implements a market integrity and credibility access system, strictly supervising and inspecting the signing and execution of the Integrity and Credibility Agreement between various units and suppliers to prevent commercial bribery risks at the source.



Case Inspection of Parcels at Company Entrances

The Company arranges for security personnel to inspect items brought by visitors, parcels, and employees' alcohol consumption while on duty, effectively preventing risks such as "gift delivery without direct contact" and drunk driving, thereby strengthening daily integrity safeguards.



Compliance System Building

> Compliant Operation

With the goal of comprehensive compliance management and a focus on specialized compliance, the Company emphasizes compliance control in key areas and for critical personnel while advancing overall compliance management. The Company has formulated the Compliance Management Measures, integrating risk management and compliance requirements deeply into business processes through “strengthened supervision, strict accountability”, and IT management tools. It has established an internal control and supervision system oriented toward risk management and centered on compliance management oversight, ensuring compliance in key areas such as policy formulation, operational decision-making, and production operations.

In terms of organizational structure, the Company has established three lines of defense for compliance risk control with clear responsibilities and layered oversight. Business departments serve as the first line of defense against compliance risks, with department heads bearing primary compliance responsibility. The Risk Control and Operations Department acts as the second line of defense and is also responsible for building the compliance management system. The Audit Department and the Discipline Inspection Commission form the third line of defense, responsible for compliance audits and overseeing the Company’s overall compliance risk control.



Compliance Culture Cultivation and Training Mechanism

The Company has established a regular compliance training mechanism and developed an annual training plan, making compliance management a mandatory part of training for managers, key personnel, and new hires. Additionally, the Company actively encourages directors and senior management to participate in external compliance training to broaden compliance communication channels and deepen the compliance culture. To cultivate a compliance culture with its unique characteristics, the Company organizes the signing of compliance pledges, guiding employees to voluntarily practice compliance principles.



Key Areas and Process Control

Focusing on the goal of comprehensive compliance management, the Company prioritizes key areas and critical processes, emphasizing compliance control for key areas and personnel while advancing overall compliance management. The Company has developed specialized compliance management systems, strengthening compliance management in areas such as policy formulation, operational decision-making, and production operations to ensure compliance requirements are precisely implemented and effectively operated.

Through the four-step methodology of “streamlining processes, benchmarking against systems, analyzing causes, and continuously optimizing”, the Company has steadily advanced the “System, Process, and Authorization System Optimization and Enhancement” project. In 2025, the Company standardized 40 forms, streamlined approval processes for 18 workflows, and digitized 16 forms, significantly improving compliance management efficiency and informatization levels.



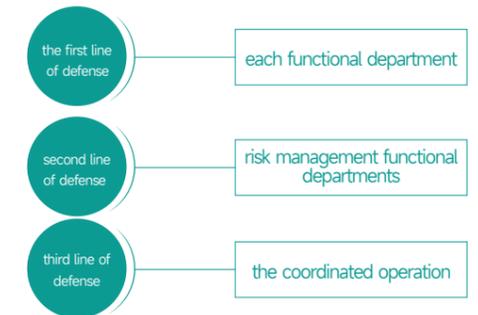
Risk Management

> Risk Management

A sound risk management and internal control system is a crucial foundation for the Company’s standardized operations. The Company has formulated the Compliance Management Measures, employing strategies such as “strengthening supervision, enforcing strict accountability”, and enhancing information management to integrate the requirements of risk management and compliance management deeply into business processes.

> Risk Management Organizational Structure

The Company’s risk management system designates each functional department as the first line of defense, risk management functional departments as the second line of defense, and the Audit Committee as the third line of defense. Through the coordinated operation of the three lines of defense, the Company has established a closed-loop management system and progressively improved a “trinity” supervision mechanism encompassing business oversight, comprehensive supervision, and accountability.



> Risk Management Mechanisms and Processes

The Company continuously improves its risk assessment mechanism to accurately identify strategic, financial, market, operational, legal, and other risks. It systematically analyzes risks related to achieving internal control objectives in business activities, reasonably determines risk tolerance and response strategies, and regularly analyzes internal and external risks to take countermeasures, thus minimizing risks and enhancing the Company’s ability to prevent and mitigate significant risks.

Risk Management Mechanisms and Processes	
<p>Information Collection</p>	<ul style="list-style-type: none"> Comprehensively, systematically, and continuously gathering relevant information to reasonably ensure the achievement of set control objectives.
<p>Risk Identification</p>	<ul style="list-style-type: none"> Accurately identifying internal and external risks through methods such as interviews and questionnaires.
<p>Risk Analysis</p>	<ul style="list-style-type: none"> Appropriately setting measurement units and models for various risks.
<p>Development and Implementation of Risk Solutions</p>	<ul style="list-style-type: none"> Establishing fundamental processes that run through the entire risk management cycle to ensure timely, accurate, and complete information communication.

Internal Control and Internal Audit

> Internal Control

The Company strictly complies with laws and regulations such as the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, and the Basic Norms and Supporting Guidelines for the Internal Control of Enterprises, continuously improving its internal control system. During the Reporting Period, the Company introduced the Internal Audit Management System and revised the Measures for Accountability for Losses from Irregular Business Investments and the System for Tolerating and Exempting Accountability in Reform, Innovation, and Compliance Due Diligence, further solidifying the foundation of the internal control system.

The Company places high importance on the implementation and enforcement of the internal control system, continuously optimizing institutional processes and strengthening execution capabilities. Simultaneously, the Company closely integrates risk management with internal control implementation, systematically reviews major business processes, precisely identifies key risk points, and checks whether they are incorporated into key control points for effective management, ensuring the closed-loop operation of the internal control system and risk control.

The Board’s Internal Control Responsibilities	<ul style="list-style-type: none"> Establishing the Company’s fundamental internal control systems and periodically evaluating their implementation.
Management Level	<ul style="list-style-type: none"> Formulating proposals for the establishment of the Company’s internal management departments; drafting the Company’s fundamental internal control policies; developing specific regulations or implementation rules for the Company’s basic internal control systems; responsible for the routine operation of the Company’s internal controls.
Risk Analysis	<ul style="list-style-type: none"> Appropriately setting measurement units and models for various risks.
Risk Control and Operations Department	<ul style="list-style-type: none"> Developing reasonable annual work plans for internal control; timely formulating, revising, and improving internal control system proposals based on the annual work plan and in response to changes in laws, regulations, company management policies, and business activities. Guiding various departments in the implementation of the internal control system and is responsible for supervising and inspecting the execution of internal controls within the Company, analyzing existing deficiencies and problems. Organizing promotion, training, and assessments regarding the implementation of internal controls according to the annual work plan.
General Affairs Department	<ul style="list-style-type: none"> Responsible for issuing approved internal control systems and archiving internal control documents.

> Internal Audit

The Company closely adheres to the requirement of “comprehensive coverage”, using precise auditing to strengthen internal control defenses. Throughout the year, the Company steadily advanced the implementation of audit projects, completing a total of four special audits. These focused on key business areas such as experimental equipment, inspection equipment, and tender management, delving into internal control vulnerabilities and management shortcomings to reveal potential operational risks. The principle of conducting audits wherever necessary and maintaining strictness in all audits was upheld, promoting the deep integration of internal control requirements into the entire business process.

Regarding rectification implementation, the Company adopts measures such as regular communication of system requirements, monthly tracking of rectification progress, optimized management of rectification records, and on-site verification for each issue. These steps helped to solidly enforce rectification responsibilities layer by layer. The deterrent effect and governance efficacy of internal audit supervision have been fully leveraged, strongly ensuring the continuous and effective operation of the internal control system.



Case

Internal Audit Training Session Enhances Employees’ Risk Awareness

The Company’s Audit Department conducted a specialized training session titled “Introduction for Internal Auditors” for relevant internal personnel. Using the framework of “Tao, Fa, Shu, Qi, Shi” (Principles, Methods, Techniques, Tools, Trends), the training started from the origins of auditing and clearly explained the procedures, methods, tools, and future trends of internal auditing. This helped non-audit departments understand the core logic of auditing, enhanced risk prevention and control capabilities, empowered employee career development, and contributed to building a sustainable risk control system.



Building the Enterprise with Integrity: Smoothing Communication Channels

Investor Relations Management

The Company places high importance on diverse communication and interaction with both existing and potential investors. By building systematic communication channels and response mechanisms, it continuously enhances communication effectiveness and value dissemination capabilities, effectively guides market expectations, and strengthens the Company's influence in the capital market.

To systematically advance investor relations management, the Company has established a multi-level, regular organizational guarantee and operational system to ensure standardized, orderly, and efficient management. The details are as follows:

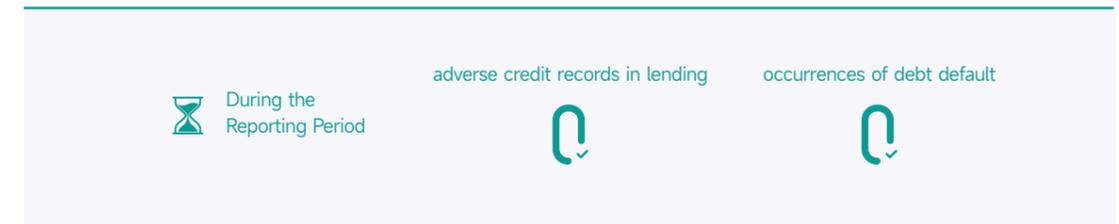
Organizational Guarantee	<ul style="list-style-type: none"> Establishing a dedicated investor relations department led by the Board Secretary and the Securities Affairs Representative, clarifying its core responsibilities; creating a cross-departmental (e.g., finance, strategy, and operations) collaborative working mechanism to ensure the accuracy and consistency of information collection and dissemination.
Work Planning	<ul style="list-style-type: none"> Formulating an annual investor relations work plan, defining communication themes, key targets, and expected objectives for each phase, aligned with key timelines such as periodic reports and major disclosure events.
Mechanisms and Processes	<ul style="list-style-type: none"> Establishing a comprehensive internal information management mechanism to standardize the closed-loop process from information collection, consolidation, review to external release, ensuring all external communication content is lawful, compliant, accurate, and fair.
Channels and Tools	<ul style="list-style-type: none"> Utilizing a combination of channels including statutory information disclosure platforms, the investor relations section of the company website, earnings briefing, roadshows/reverse roadshows, analyst meetings, investor hotlines/email, and new media interaction platforms to improve the accessibility and effectiveness of communication.
Timeline	<ul style="list-style-type: none"> Establishing a multi-dimensional communication rhythm with the disclosure periods of regular reports as the core communication window, supplemented by ad-hoc briefings on major events and ongoing daily communications, so as to maintain stable and transparent interaction with the capital market.

> Investor Communication

Through this multi-channel matrix, the Company ensures smooth two-way information flow between itself and the market. Leveraging the agile use of new media, the Company can respond more promptly to market dynamics and clarify false rumors, effectively enhancing the timeliness and reach of information dissemination. A systematic query handling mechanism ensures that investor inquiries receive timely and consistent responses, genuinely increasing investors' understanding and recognition of the Company. This lays a solid foundation for maintaining the Company's image in the capital market and stabilizing investor expectations.

> Creditors' Rights

During the Reporting Period, the Company maintained a good credit record, with no adverse credit records in lending and no occurrences of debt default.



> Returns to Shareholders

While achieving its own development, the Company always considers creating value for shareholders as a core objective. The Company has established a long-term and stable profit distribution policy. According to the Hunan Valin Wire & Cable Co., Ltd. Shareholder Return Plan for the Next Three Years (2025-2027), provided that the conditions for profit distribution are met, the Company shall distribute no less than 20% of its annual attributable profits in cash each year.

Information Disclosure and Supervision

The Company strictly adheres to laws, regulations, and departmental rules such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Listing Rules, and the Administrative Measures for Information Disclosure of Listed Companies. It has formulated the Information Disclosure Management System of Hunan Valin Wire & Cable Co., Ltd. and the Insider Registration Management System of Hunan Valin Wire & Cable Co., Ltd., clearly defining the disclosure procedures for significant information, periodic reports, and interim reports, continuously improving the efficiency and quality of information disclosure, ensuring the authenticity, accuracy, completeness, timeliness, and fairness of information disclosure, preventing false records, misleading statements, or significant omissions, and fully safeguarding the legitimate rights and interests of investors.

To help investors gain a more comprehensive understanding of the Company's development trends and growth potential, the Company actively engages in voluntary information disclosure, proactively showcasing positive progress in capital operations, market expansion, and technological innovation, among other areas.

The Company places high importance on the confidentiality management of insider information, having established and strictly enforced the Insider Registration Management System, to continuously strengthen the confidentiality of insider information and uphold the fairness of information disclosure. Through channels such as China Securities Journal, Securities Times, Securities Daily, Shanghai Securities News, the Cninfo website, and the Shenzhen Stock Exchange website, the Company promptly discloses information that may significantly impact investors' decisions and stock prices, fully revealing potential risks and ensuring the transparency and openness of information disclosure.

Appendix I: Key Performance Indicators

Environmental Performance

Indicators	Unit	2025
Total Water Consumption	Tons	240,030.50
Total Recycled Water Usage	Tons	972,488.40
Total Energy Consumption	tce	5,958.28
Energy Consumption Intensity	tce / RMB 10,000 revenue	0.0132
Direct Energy Consumption	tce	1,762.95
Natural Gas	tce	1,465.14
Diesel	tce	12.17
Non-Fossil Energy Consumption (Rooftop Photovoltaic)	tce	285.64
Indirect Energy Consumption	tce	4,195.33
Purchased Electricity	tce	4,195.33
Proportion of Non-fossil Energy Consumption	%	0.05
Clean Energy Consumption	tce	285.64
Renewable Energy Consumption	tce	285.64
Wastewater Discharge	Tons	4,353.70
Wastewater Discharge Intensity	tons / RMB 10,000 revenue	0.0096
Waste Gas Emission	10,000 m ³	34,116.48
Waste Gas Emission Intensity	10,000 m ³ / RMB 10,000 revenue	0.0756
Generation of General Industrial Solid Waste	Tons	1,966.59
Disposal of General Industrial Solid Waste	Tons	1,966.59
Hazardous Waste Generation	Tons	84.00
Hazardous Waste Disposal	Tons	84.00
Total Greenhouse Gas Emissions	tCO ₂ e	24,791.53
Scope 1 ⁴ Emissions	tCO ₂ e	2,683.36
Scope 2 ⁵ Emissions	tCO ₂ e	22,108.18
Greenhouse Gas Emission Intensity (Scope 1 + Scope 2)	tCO ₂ e per RMB 10,000 revenue	0.0550

⁴ CO₂ emissions from fossil fuel consumption, mainly diesel for company vehicle and natural gas for production.

⁵ Greenhouse gas emissions converted from net purchased electricity, mainly electricity purchased by the Company.

Social Performance

Indicators	Unit	2025	
Coverage of Occupational Injury Insurance for Employees	%	100	
Number of Work-related Fatalities	Persons	0	
Work-related Fatality Rate	%	0	
Number of Employees Undergoing Occupational Disease Physical Examinations	Persons	266	
Number of Employees with Occupational Diseases	Persons	0	
Structure of New Employees	Total Number of New Employees	Persons	56
	By Gender		
	Male	Persons	45
	Female	Persons	11
	By Recruitment Channel		
	Fresh Graduates	Persons	17
Social Recruitment	Persons	38	

Indicators	Unit	2025	
Labor Contract Signing Rate	%	100	
Employee Structure	Total Number of Employees	Persons	661
	Ethnic Minority Employees	Persons	14
	Disabled Employees	Persons	10
	By Region		
	Chinese Mainland	Persons	661
	Hong Kong, Macao and Taiwan	Persons	0
	Overseas	Persons	0
	By Gender		
	Male	Persons	519
	Female	Persons	142
	By Age		
	30 and Below	Persons	183
	30-50 (inclusive)	Persons	396
	Above 50	Persons	82
	By Employee Category		
	Total Frontline Employees	Persons	541
	Total Junior Management	Persons	91
	Total Middle Management	Persons	22
	Total Senior Management	Persons	7
	By Education		
Doctorate	Persons	2	
Postgraduate	Persons	47	
Bachelor and Below	Persons	612	
Labor Contract Signing Rate	%	100	
Employee Social Insurance Coverage	%	100	
Training Expenditure	RMB 10,000	211.90	
Number of Training Sessions	Sessions	599	
Number of Trained Employees	Persons	661	
Employee Training Coverage	%	100	
Trained Male Employees	Persons	519	
Male Employee Training Rate	%	100	
Trained Female Employees	Persons	142	
Female Employee Training Rate	%	100	
Trained Senior Management	Persons	7	
Senior Management Training Rate	%	100	
Trained Middle Management	Persons	22	
Middle Management Training Rate	%	100	
Trained Frontline Employees	Persons	533	
Frontline Employee Training Rate	%	100	

Indicators	Unit	2025	
Average Training Hours per Employee	Hours	25.24	
Number of Employees in Need Assisted	Persons	21	
Composition of Departing Employees	Employee Turnover Rate	%	1.60
	By Gender		
	Male	Persons	9
	Female	Persons	2
	By Age		
	30 and Below	Persons	9
	30-50 (inclusive)	Persons	2
	By Region		
Chinese Mainland	Persons	11	
Client Satisfaction	%	97	
Number of Respondents in Client Satisfaction Survey	Persons	60	
Number of Client Complaints	Case	36	
Number of Client Complaints	Case	36	
R&D Investment	RMB 10,000	14,391.80	
R&D Investment Ratio	%	3.19	
Number of R&D Personnel	Persons	171	
R&D Personnel Ratio	%	19	
Number of New Patent Applications	Item	34	
New Patents Granted	Item	44	
Total Number of Cumulative Applications	Item	441	
Total Cumulative Grants	Item	389	
Number of Valid Patents	Item	389	
Number of Invention Patents	Item	71	
Number of Utility Model Patents	Item	318	
Number of Design Patents	Item	0	
Number of Trademarks	Item	3	
Number of Complaints Received on Products and Services	Case	45	
Complaint Handling Rate	%	100	
Product Random Inspection Pass Rate	%	100	
Product Recalls	Case	0	
Business Coverage Ratio of Data Security-related Standard Certifications	%	99	
Sensitive Data Encryption Coverage	%	94	
Access Control Mechanism Coverage	%	98	
Number of Data Security Training Sessions	Sessions	4	
Coverage of Data Security Training Sessions	%	92	
Client Privacy Breach Incident	Case	0	
Amount Involved in Client Privacy Breach Incidents	RMB 10,000	0	
Losses Incurred Due to Violations of Laws and Regulations Related to Data Breaches/Client Information Leakage Incidents	RMB 10,000	0	

Indicators	Unit	2025
Confirmed Complaints Involving Client Privacy Invasion or Data Loss	Case	0
Number of Privacy Protection Training Sessions	Sessions	4
Coverage of Privacy Protection Training Sessions	%	90
Per Capita Training Hours of Privacy Protection Training Sessions	Hours	1.50
Number of Suppliers	Unit	234
Number of Audited Suppliers	Unit	234
Number of Suppliers with Sustainability Certifications	Unit	234
Number of Suppliers Suspended for Non-compliance	Unit	0
Number of Potential Suppliers Rejected for Non-compliance	Unit	0
Number of Suppliers with ISO 9000 Certification	Unit	234
Number of Suppliers with ISO 14000 Certification	Unit	150
Number of Suppliers with ISO 45001 Certification	Unit	150
Percentage of Suppliers Signing Integrity Agreement	%	100
Number of Major Supply Chain Risk and Impact Events	Case	0
Number of Suppliers Identified as Having Actual or Potential Significant Negative Social Impacts	Unit	0
Number of Suppliers Identified as Having Actual or Potential Significant Negative Environmental Impacts	Unit	0
Total Number of New Suppliers	Unit	18
Percentage of Local Suppliers	%	4
Proportion of Procurement Personnel within the Company Who Have Completed Sustainable Procurement Training	%	100
Number of Suppliers with Cooperation Suspended	Unit	6
Number of Potential Suppliers Rejected for Inclusion Due to ESG Non-Compliance	Unit	0
Number of Supplier ESG Training Sessions	Sessions	5
Duration of Supplier ESG Training	Hours	10
Number of Participants Covered by Supplier ESG Training	Person-times	21
Number of Data Security Incidents	Case	0

Governance Performance

Indicators	Unit	2025	
Meeting Convening	Shareholders' Meeting	Sessions	6
	The Board	Sessions	11
	Specialized Committee	Sessions	14
	Strategy (and ESG) Committee	Sessions	3
	Audit Committee	Sessions	8
	Nomination Committee	Sessions	2
	Compensation and Assessment Committee	Sessions	1
Review Status of Proposals	Shareholders' Meeting	Item	22
	The Board	Item	78
	Specialized Committee	Item	69
	Strategy (and ESG) Committee	Item	26

Appendix II: Indicator Index

Section Title	GRI Standards	SZSE Guidelines Topics	
About This Report	GRI 101: Basic Disclosure: Reporting Principles and Practices	—	
About Us	GRI 102-1: Organizational Profile GRI 201: Economic Performance GRI 102-14: Governance Structure GRI 415: Product Responsibility GRI 202: Market Presence GRI 102-16: Values, Vision, and Mission GRI 102-47: Awards and Recognition GRI 201: Economic Performance GRI 300 (Environmental Dimension) GRI 400 (Social Dimension) GRI 500(Governance Dimension)	—	
ESG Management	GRI 102-18: Governance Structure Roles GRI 501-1: Governing Bodies GRI 102-26: Identification of Impacts, Risks, and Opportunities; GRI 308: Climate Change GRI 102-27: Definition of Material Topics GRI 102-31: Stakeholder Engagement; GRI 104: Stakeholder Engagement	Stakeholder Communication	
Feature: Party Building Leads the Way, Cohesion Drives Development	GRI 501-2: Governance Body Competencies GRI 501-1: Composition of the Governance Bod GRI 505: Ethical Conduct and Anti-corruption GRI 416: Anti-corruption GRI 505-1: Anti-corruption Policies	—	
Environmental Dimension: Green Development, Writing a Chapter on Eco-Environmental Protection	System Building, Laying the Ecological Foundation	GRI 307: Environmental Compliance GRI 301: Materials Usage GRI 309: Environmental Expenditure	Environmental Compliance Management
	Refined Operation: Focusing on Energy Conservation and Consumption Reduction	GRI 302: Energy GRI 303: Water Resources GRI 301-2: Material Recycling and Reuse	Energy Utilization Water Resource Utilization Circular Economy
	Pollution Control and Emission Reduction: Jointly Building Lucid Waters and Lush Mountains	GRI 305: Emissions GRI 306: Waste	Pollutant Emissions Waste Management
	Low-Carbon Development: Addressing Climate Change	GRI 308: Climate Change	Climate Change Response

Indicators	Unit	2025	
Meeting Convening	Audit Committee	Item	39
	Nomination Committee	Item	3
	Compensation and Assessment Committee	Item	1
Composition of the Board	Number of Directors	Persons	9
	By Gender		
	Male	Persons	7
	Female	Persons	2
	By Age		
	35 and Below	Persons	0
	36-50 (inclusive)	Persons	1
	Above 50	Persons	8
	Executive Director	%	0
	Non-Executive Director-Non-Independent Director	%	6
	Non-Executive Director-Independent Director	%	3
	Average Tenure of Board Members	Year	2.20
	Attendance Rate of Board Members	%	100
Dimission Rate of Board Members	Year	0	
Senior Management Composition	Number of Senior Executives	Persons	5
	By Gender		
	Male	Persons	4
	Female	Persons	1
	By Age		
	35 and Below	Persons	0
	36-50 (inclusive))	Persons	3
	Above 50	Persons	2
Average Tenure of Senior Executives	Year	5.20	
Number of Anti-Commercial Bribery and Anti-Corruption Training Sessions	Sessions	35	
Number of Employees Trained in Anti-Commercial Bribery and Anti-Corruption	Person-times	206	
Coverage of Anti-Commercial Bribery and Anti-Corruption Training	%	31.26	
Number of Inquiries Replied on Interactive Platform	Item	91	
Rate of Response to Minority Shareholder Inquiries	%	1	
Number of Performance Briefings	Sessions	2	
Number of Research Institutions Received	Sessions	7	
Total Number of Investors Received	Person-times	Over 300	
Preparation and Disclosure of Periodic Reports	Item	6	
Number of Periodic Reports Disclosed	Item	6	
Number of Interim Announcements Issued	Item	93	

Section Title	GRI Standards	SZSE Guidelines Topics
Talent Empowerment: Strengthening Competitive Advantages	GRI 401: Employment GRI 405: Diversity and Equal Opportunity GRI 402: Labor-Management Relations; GRI 503: Remuneration	Product and Service Safety & Quality, Employees
	GRI 407: Freedom of Association and Collective Bargaining GRI 403-2: Occupational Health Services GRI 404: Training and Education GRI 404-1: Training Investment and Participation GRI 403: Occupational Health and Safety GRI 403-1: Occupational Health Risk Assessment	
	GRI 102-33: R&D Investment GRI 201-2: R&D Investment GRI 102-34: Intellectual Property GRI 415-2: Product Design and Development GRI 411: Human Rights Assessment GRI 415: Product Responsibility GRI 415: Product Responsibility GRI 307-1: Environmental Compliance Certification GRI 414: Consumer Rights GRI 415-3: Product Complaint Handling GRI 415-1: Product Information and Labeling GRI 417: Antitrust GRI 413: Supply Chain Environmental Compliance GRI 102-43: Supply Chain Management GRI 102-39: Technology Investment GRI 201: Economic Performance GRI 414-3: Customer Privacy Protection GRI 102-40: Data Security	
Quality First: Empowering Quality Enhancement	GRI 307-1: Environmental Compliance Certification GRI 414: Consumer Rights GRI 415-3: Product Complaint Handling GRI 415-1: Product Information and Labeling GRI 417: Antitrust GRI 413: Supply Chain Environmental Compliance GRI 102-43: Supply Chain Management GRI 102-39: Technology Investment GRI 201: Economic Performance GRI 414-3: Customer Privacy Protection GRI 102-40: Data Security	Innovation-Driven, Product and Service Safety & Quality, Supply Chain Security, Data Security & Customer Privacy Protection
Fulfilling Missions: Undertaking Social Responsibility	GRI 410: Local Communities GRI 203: Indirect Economic Impacts	Social Contribution
Social Dimension: Advancing Together to Chart a Harmonious and Beautiful Vision		

Section Title	GRI Standards	SZSE Guidelines Topics
Governance Dimension: Standardized Governance for Steady and High-Quality Development	Steady Progress: Consolidating the Governance Foundation GRI 501: Governance Structure GRI 502: Board Accountability GRI 503: Remuneration	—
	Standardizing the Enterprise: Deepening: Compliance and Risk Control GRI 416: Anti-corruption GRI 505: Ethical Conduct and Anti-corruption GRI 417: Anti-monopoly and Anti-unfair Competition GRI 102-28: Internal Control System GRI 501-3: Internal Control GRI 102-29: Compliance System GRI 307: Environmental Compliance GRI 102-26: Identification of Impacts, Risks, and Opportunities	Anti-Commercial Bribery, Anti-Corruption, and Anti-Unfair Competition
	Building the Enterprise with Integrity: Smoothing: Communication Channels GRI 102-45: Disclosure Practices GRI 506: Information Disclosure GRI 504: Shareholder Rights GRI 102-46: Investor Communication GRI 504-1: Exercise of Shareholder Rights GRI 504-2: Protection of Minority Shareholders	—
Appendix	ESG Key Performance Indicators GRI 102-50: Performance Indicator Disclosure	—

Appendix III: Feedback Form

Dear Reader,

Thank you very much for taking the time to read Valin Cable' s 2025 Environmental, Social and Governance (ESG) Report. We sincerely look forward to your feedback and suggestions regarding this report and our work. You may return the completed questionnaire to us by mail or by scanning and emailing it. Thank you!

1. Which of the following stakeholder categories does your organization belong to?:

- Internal Management Shareholders/Investors Employees Suppliers/Partners
- Clients/Potential Clients Government/Regulatory Bodies Community Experts/Scholars
- Non-Governmental Organizations Public Other (Please Specify)

2. Is the information you are concerned about adequately covered in this report?.....

- Yes Partially No

3. How would you rate this report overall?

· **Readability** (clear and accessible expression, aesthetically pleasing design, engaging content, easy to locate desired information)

- 3 points (Good) 2 points (Average) 1 point (Poor)

· **Credibility** (The reported information is truthful and reliable)

- 3 points (Good) 2 points (Average) 1 point (Poor)

· **Information Completeness** (Balanced coverage of both positive and negative aspects, meeting your information needs)

- 3 points (Good) 2 points (Average) 1 point (Poor)

4. Were you able to conveniently locate the information you were interested in within this report?

- Yes Partially No

5. Apart from the content already disclosed in this report, what other types of information would you like to see?

.....

Disclaimer

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